PRELIMINARY OFFER DOCUMENT
Dated March 15, 2012

The information in this Preliminary Offer Document is not complete and may be changed. The Issue is meant only for Eligible QIBs and is not an offer to any other class of investors to purchase the Equity Shares. This Preliminary Offer Document is not soliciting an offer to subscribe to or buy Equity Shares in any jurisdiction where such offer or subscription is not permitted. It is being issued for the sole purpose of information or discussion relating to the Equity Shares that may be Allotted through the Offer Document.

GODREJ PROPERTIES LIMITED

(Godrej Properties Limited was incorporated on February 8, 1985 in the Republic of India with limited liability under the Companies Act, 1956 with corporate identity number L74120MH1985PLC035308)

Issue of up to 7,442,555 equity shares of face value ₹ 10 each (the "**Equity Shares**") of Godrej Properties Limited (the "**Company**"), with a right, exercisable by the Company in consultation with the Book Running Lead Mangers (as defined hereinafter), to Allot (as defined hereinafter) an additional up to 744,255 Equity Shares in case of over subscription, at a price determined according to the Allotment Criteria (as defined hereinafter), aggregating to ₹ [●] million (the "**Issue**"). The Issue Price (as defined hereinafter) is ₹ [●] per Equity Share.

THIS ISSUE AND THE DISTRIBUTION OF THIS PRELIMINARY OFFER DOCUMENT (THE "PRELIMINARY OFFER DOCUMENT") IS BEING MADE IN RELIANCE ON CHAPTER VIII-A OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 (THE "SEBI REGULATIONS"). THIS PRELIMINARY OFFER DOCUMENT DOES NOT CONSTITUTE AN OFFER OR INVITATION OR SOLICITATION OF AN OFFER TO ANY PERSON OR CLASS OF INVESTORS OTHER THAN ELIGIBLE QUALIFIED INSTITUTIONAL BUYERS ("ELIGIBLE QIBS") (AS DEFINED IN "DEFINITIONS AND ABBREVIATIONS") WITHIN OR OUTSIDE INDIA.

ISSUE ONLY TO ELIGIBLE QUALIFIED INSTITUTIONAL BUYERS

The Issue is being made through the Institutional Placement Programme, wherein at least 25% of the aggregate number of Equity Shares to be Allotted in the Issue shall be Allocated and Allotted to Mutual Funds (as defined hereinafter) and Insurance Companies (as defined hereinafter), subject to valid ASBA Applications (as defined hereinafter) being received at or above the Issue Price, provided that if this portion or any part thereof to be Allotted to Mutual Funds and Insurance Companies remains unsubscribed, such minimum portion or part thereof may be Allotted to other Eligible QIBs. Eligible QIBs may participate in this Issue only through an application supported by blocked amount ("**ASBA**") providing details about the ASBA Account (as defined hereinafter) which will be blocked by the Self Certified Syndicate Bank. For details, see "***Issue Procedure***".

This Preliminary Offer Document has not been reviewed or approved by the Securities and Exchange Board of India ("**SEBI**"), the Reserve Bank of India ("**RBI**"), The National Stock Exchange of India Limited (the "**NSE**"), the BSE Limited (the "**BSE**", together with the NSE the "**Stock Exchanges**") and is intended only for use by Eligible QIBs. A copy of this Preliminary Offer Document has been delivered to the Stock Exchanges and SEBI and for registration to the Registrar of Companies, Mumbai (the "**RoC**"). Copies of the Offer Document will be filed with the Stock Exchanges, SEBI and the RoC. This Preliminary Offer Document will only be circulated or distributed to Eligible QIBs, and will not constitute an offer to any other class of investors in India or any other jurisdiction. The Equity Shares offered in the Issue have not been recommended or approved by SEBI, nor does SEBI guarantee the accuracy or adequacy of this Preliminary Offer Document.

The Equity Shares of the Company are listed and traded on the BSE and the NSE. The Equity Shares offered in the Issue are securities of the Company of the same class and in all respects uniform as the Equity Shares listed and traded on the Stock Exchanges. In-principle approvals under Clause 24(a) of the Equity Listing Agreement for listing of the Equity Shares offered in the Issue have been received from the Stock Exchanges. Applications will be made to the Stock Exchanges for obtaining listing and trading approvals for the Equity Shares offered through this Preliminary Offer Document. The Stock Exchanges assume no responsibility for the correctness of any statements made, opinions expressed or reports contained herein. Admission of the Equity Shares offered in the Issue to trading on the Stock Exchanges should not be taken as an indication of the merits of the business of the Company or such Equity Shares.

INVESTMENTS IN EQUITY SHARES INVOLVE A DEGREE OF RISK AND PROSPECTIVE INVESTORS SHOULD NOT INVEST IN THIS ISSUE UNLESS THEY ARE PREPARED TO TAKE THE RISK OF LOSING ALL OR PART OF THEIR INVESTMENT. PROSPECTIVE INVESTORS ARE ADVISED TO CAREFULLY READ "RISK FACTORS" BEFORE MAKING AN INVESTMENT DECISION IN THIS ISSUE. EACH PROSPECTIVE INVESTOR IS ADVISED TO CONSULT ITS OWN ADVISORS ABOUT THE PARTICULAR CONSEQUENCES OF AN INVESTMENT IN THE EQUITY SHARES BEING ISSUED PURSUANT TO THIS PRELIMINARY OFFER DOCUMENT.

Invitations, offers and issuances of Equity Shares offered in the Issue shall only be made pursuant to this Preliminary Offer Document together with the ASBA Applications and Confirmation of Allocation Notes. Please see "***Issue Procedure***". The distribution of this Preliminary Offer Document or the disclosure of its contents without the prior consent of the Company to any person, other than Eligible QIBs and persons retained by Eligible QIBs to advise them with respect to their subscription of the Equity Shares offered in the Issue is unauthorised and prohibited. Each prospective investor, by accepting delivery of this Preliminary Offer Document, agrees to observe the foregoing restrictions and make no copies of this Preliminary Offer Document or any documents referred to in this Preliminary Offer Document.

The information on the website of the Company or any website directly or indirectly linked to the website of the Company, other than this Preliminary Offer Document, does not form part of this Preliminary Offer Document and prospective investors should not rely on such information contained in, or available through, any such website.

The Equity Shares offered in the Issue have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "U.S. Securities Act"), and may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws. Accordingly, such Equity Shares are being offered and sold (i) in the United States only to persons reasonably believed to be qualified institutional buyers (as defined under Rule 144A ("Rule 144A") under the U.S. Securities Act) ("U.S. QIBs") pursuant to Section 4(2) of the U.S. Securities Act and (ii) outside of the United States in offshore transactions in reliance on Regulation S under the U.S. Securities Act ("Regulation S") and the applicable laws of the jurisdiction where those offers and sales occur. For further details, please see "*Selling Restrictions*" and "*Transfer Restrictions*".

BOOK RUNNING LEAD MANAGERS		REGISTRAR TO THE ISSUE
kotak® Investment Banking	UBS	KARVY Computershare
Kotak Mahindra Capital Company Limited 1st Floor, Bakhtawar 229 Nariman Point Mumbai 400 021 Tel: (91 22) 6634 1100 Fax: (91 22) 2283 7517 Email: gpl.ipp@kotak.com Website: www.investmentbank.kotak.com Contact Person: Ganesh Rane	**UBS Securities India Private Limited** 2F, 2 North Avenue, Maker Maxity Bandra Kurla Complex Bandra (E), Mumbai 400 051 Tel: (91 22) 6155 6000 Fax: (91 22) 6155 6292 Email: customercare@ubs.com Website: www.ubs.com Contact Person: Varsha Udayabhanu	**Karvy Computershare Private Limited** Plot No. 17-24, Vittal Rao Nagar Madhapur, Hyderabad 500 081 Tel: (91 40) 2342 0815 Fax: (91 40) 2343 1551 Email: murali@karvy.com/ ecogniz@karvy.com Website: Ikarisma.karvy.com Contact Person: M. Murali Krishna

ISSUE PROGRAMME *

ISSUE OPENS ON	[●]	ISSUE CLOSES ON	[●]

* *Details of the Issue programme shall be disclosed in the Floor Price / Price Band Announcement to be issued at least one day prior to the Issue Opening Date. Investors should refer to the pre-Issue advertisement and the Floor Price / Price Band Announcement for further details. Investors are advised to read the above mentioned announcements together with this Preliminary Offer Document.*

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NOTICE TO INVESTORS

The Company has furnished and accepts full responsibility for all of the information contained in this Preliminary Offer Document and, having made all reasonable enquiries confirms that, this Preliminary Offer Document contains all information with respect to the Company and the Equity Shares offered in the Issue that is material in the context of the Issue. The statements contained in this Preliminary Offer Document relating to the Company and the Equity Shares are, in every material respect, true and accurate and not misleading. The opinions and intentions expressed in this Preliminary Offer Document with regard to the Company and the Equity Shares are honestly held, have been reached after considering all relevant circumstances, are based on information presently available to the Company and are based on reasonable assumptions. There are no other facts in relation to the Company and the Equity Shares, the omission of which would, in the context of the Issue, make any statement in this Preliminary Offer Document misleading in any material respect. Further, all reasonable enquiries have been made by the Company to ascertain such facts and to verify the accuracy of all such information and statements.

No person is authorised to give any information or to make any representation not contained in this Preliminary Offer Document and any information or representation not so contained must not be relied upon as having been authorised by or on behalf of the Company or Kotak Mahindra Capital Company Limited and UBS Securities India Private Limited (the "**Book Running Lead Managers**") or Kotak Securities Limited (the "**Syndicate Member**"). The delivery of this Preliminary Offer Document at any time does not imply that the information contained in it is correct as of any time subsequent to its date.

The Equity Shares offered in the Issue have not been approved, disapproved or recommended by the U.S. Securities and Exchange Commission, any state securities commission in the United States or the securities commission of any non-U.S. jurisdiction or any other U.S. or non-U.S. regulatory authority. No authority has passed on or endorsed the merits of this Issue or the accuracy or adequacy of this Preliminary Offer Document. Any representation to the contrary is a criminal offence in the United States and may be a criminal offence in other jurisdictions.

The Equity Shares offered in the Issue have not been and will not be registered under the U.S. Securities Act and may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities law. The Equity Shares offered in the Issue are being offered and sold (i) outside the United States in offshore transactions in reliance on Regulation S and (ii) within the United States to U.S. QIBs as defined in Rule 144A pursuant to Section 4(2) of the U.S. Securities Act. Prospective purchasers are hereby notified that the Company is relying on the exemption from the registration requirements of the Securities Act. The Equity Shares offered in the Issue are transferable only in accordance with the restrictions described in "***Transfer Restrictions***". All purchasers will be required to make the applicable representations set forth in "***Transfer Restrictions***".

The distribution of this Preliminary Offer Document and the Issue may be restricted by law in certain countries or jurisdictions. As such, this Preliminary Offer Document does not constitute, and may not be used for or in connection with, an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorised, or to any person to whom it is unlawful to make such offer or solicitation. In particular, no action has been taken by the Company, the Book Running Lead Managers or the Syndicate Member which would permit an offering of the Equity Shares offered in the Issue or distribution of this Preliminary Offer Document in any country or jurisdiction, other than India, where action for that purpose is required. Accordingly, the Equity Shares to be issued pursuant to the Issue may not be offered or sold, directly or indirectly, and neither this Preliminary Offer Document nor any Issue materials in connection with the Equity Shares offered in the Issue may be distributed or published in or from any country or jurisdiction except under circumstances that will result in compliance with any applicable rules and regulations of any such country or jurisdiction.

This Preliminary Offer Document has been filed with SEBI and the Stock Exchanges and delivered to the RoC for registration, and has been displayed on the websites of the Stock Exchanges and the Company stating that it is in connection with the Institutional Placement Programme and that the offer is being made only to Eligible QIBs.

In making an investment decision, investors must rely on their own examination of the Company and the terms of the Issue, including the merits and risks involved. Investors should not construe the contents of this Preliminary

Offer Document as legal, tax, accounting or investment advice. Investors should consult their own counsel and advisors as to business, legal, tax, accounting and related matters concerning the Issue. In addition, none of the Company, the Book Running Lead Managers or the Syndicate Member is making any representation to any offeree or subscriber of the Equity Shares offered in the Issue regarding the legality of an investment in such Equity Shares by such subscriber or purchaser under applicable laws or regulations.

Each Eligible QIB subscribing to the Equity Shares offered in the Issue is deemed to have acknowledged, represented and agreed that it is eligible to invest in India and in the Company under Indian law, including Chapter VIII-A of the SEBI Regulations, and is not prohibited by SEBI or any other statutory authority from buying, subscribing to, selling or dealing in securities.

The information on the Company's website, except this Preliminary Offer Document, or the website of the Book Running Lead Managers does not constitute nor form part of this Preliminary Offer Document. Prospective investors should not rely on the information contained in, or available through such websites, except this Preliminary Offer Document. This Preliminary Offer Document contains summaries of terms of certain documents, which are qualified in their entirety by the terms and conditions of such documents.

NOTICE TO NEW HAMPSHIRE RESIDENTS

NEITHER THE FACT THAT A REGISTRATION STATEMENT OR AN APPLICATION FOR A LICENSE HAS BEEN FILED UNDER CHAPTER 421-B OF THE NEW HAMPSHIRE REVISED STATUTES ("RSA 421-B") WITH THE STATE OF NEW HAMPSHIRE NOR THE FACT THAT A SECURITY IS EFFECTIVELY REGISTERED OR A PERSON IS LICENSED IN THE STATE OF NEW HAMPSHIRE CONSTITUTES A FINDING BY THE SECRETARY OF STATE OF NEW HAMPSHIRE THAT ANY DOCUMENT FILED UNDER RSA 421-B IS TRUE, COMPLETE AND NOT MISLEADING. NEITHER ANY SUCH FACT NOR THE FACT THAT AN EXEMPTION OR EXCEPTION IS AVAILABLE FOR A SECURITY OR A TRANSACTION MEANS THAT THE SECRETARY OF STATE HAS PASSED IN ANY WAY UPON THE MERITS OR QUALIFICATIONS OF, OR RECOMMENDED OR GIVEN APPROVAL TO, ANY PERSON, SECURITY OR TRANSACTION. IT IS UNLAWFUL TO MAKE, OR CAUSE TO BE MADE, TO ANY PROSPECTIVE PURCHASER, CUSTOMER OR CLIENT ANY REPRESENTATION INCONSISTENT WITH THE PROVISIONS OF THIS PARAGRAPH.

REPRESENTATIONS BY INVESTORS

By subscribing to any Equity Shares offered in the Issue, you are deemed to have represented, warranted, acknowledged and agreed to the Company, the Book Running Lead Managers and the Syndicate Member, as follows:

- You are an "Eligible QIB" (hereinafter defined), having a valid and existing registration under applicable laws and regulations of India, and undertake to acquire, hold, manage or dispose of any Equity Shares offered in the Issue that are Allotted to you in accordance with Chapter VIII-A of the SEBI Regulations;

- You are not a FVCI or a multilateral or bilateral financial institution;

- You are eligible to invest in India under applicable law, including the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000, and any notifications, circulars or clarifications issued thereunder, and have not been prohibited by SEBI or any other regulatory authority, from buying, selling or dealing in securities;

- If you are not a resident of India, but are an Eligible QIB, you are a FII (hereinafter defined) (including a sub-account other than a sub-account which is a foreign corporate or a foreign individual), having a valid and existing registration with SEBI under the applicable laws in India and are eligible to invest in India under applicable law, including the Foreign Exchange Management (Transfer or Issue of Security by a

Person Resident Outside India) Regulations, 2000, and any notifications, circulars or clarifications issued thereunder, and have not been prohibited by SEBI or any other regulatory authority, from buying, selling or dealing in securities. You are investing in the Issue under the Portfolio Investment Scheme and will make all necessary filings with appropriate regulatory authorities, including RBI, as required pursuant to applicable laws;

- If you are Allotted the Equity Shares pursuant to the Issue, you shall not, for a period of one year from the date of Allotment, sell such Equity Shares so acquired except on the Stock Exchanges;

- You are aware that this Preliminary Offer Document has not been reviewed, verified or affirmed by SEBI, RBI, the Stock Exchanges or any other regulatory or listing authority, other than the RoC, and is intended only for use by the Eligible QIBs;

- You are entitled to subscribe for the Equity Shares offered in the Issue under the laws of all relevant jurisdictions that apply to you and you have necessary capacity, have obtained all necessary consents, governmental or otherwise, and authorisations and complied with all necessary formalities, to enable you to commit to participation in the Issue and to perform your obligations in relation thereto (including, without limitation, in the case of any person on whose behalf you are acting, all necessary consents and authorisations to agree to the terms set out or referred to in this Preliminary Offer Document), and will honour such obligations;

- You confirm that, either: (i) you have not participated in or attended any investor meetings or presentations by the Company or its agents (the "**Company Presentations**") with regard to the Company or the Issue; or (ii) if you have participated in or attended any Company Presentations: (a) you understand and acknowledge that the Book Running Lead Managers and the Syndicate Member may not have knowledge of the statements that the Company or its agents may have made at such Company Presentations and are therefore unable to determine whether the information provided to you at such Company Presentations may have included any material misstatements or omissions, and, accordingly you acknowledge that the Book Running Lead Managers and the Syndicate Member have advised you not to rely in any way on any information that was provided to you at any such Company Presentations, and (b) you confirm that, to the best of your knowledge, you have not been provided any material or price sensitive information relating to the Company and the Issue that was not made publicly available by the Company;

- Neither the Company nor the Book Running Lead Managers nor the Syndicate Member nor any of their respective shareholders, directors, officers, employees, counsel, representatives, agents or affiliates are making any recommendations to you or advising you regarding the suitability of any transactions it may enter into in connection with the Issue and your participation in the Issue is on the basis that you are not, and will not, up to the Allotment of the Equity Shares offered in the Issue, be a client of the Book Running Lead Managers or the Syndicate Member. Neither the Book Running Lead Managers nor the Syndicate Member nor any of their shareholders, directors, officers, employees, counsel, representatives, agents or affiliates have any duties or responsibilities to you for providing the protection afforded to its or their clients or customers or for providing advice in relation to the Issue and are not in any way acting in any fiduciary capacity;

- All statements other than statements of historical facts included in this Preliminary Offer Document, including those regarding the Company's financial position, business strategy, plans and objectives of management for future operations (including development plans and objectives relating to the Company's business), are forward-looking statements. Such forward-looking statements involve known and unknown risks, uncertainties and other important factors that could cause actual results to be materially different from future results, performance or achievements expressed or implied by such forward-looking statements. Such forward-looking statements are based on numerous assumptions regarding the Company's present and future business strategies and environment in which the Company will operate in the future. You should not place undue reliance on forward-looking statements, which speak only as of the date of this Preliminary Offer Document;

- You are aware of and understand that the Equity Shares to be issued pursuant to the Issue are being offered only to Eligible QIBs and are not being offered to the general public and the Allocation and Allotment shall be in accordance with the Basis of Allocation, Allotment Criteria and the CAN. See "***Issue Procedure***";

- You have made, or been deemed to have made, as applicable, the representations and warranties set forth in "***Transfer Restrictions***" and "***Selling Restrictions***";

- You have read this Preliminary Offer Document in its entirety, including in particular, "**Risk Factors**";

- In making your investment decision, you have (i) relied on your own examination of the Company and the terms of the Issue, including the merits and risks involved, (ii) made your own assessment of our Company on a consolidated basis, the Equity Shares offered in the Issue and the terms of the Issue based solely on the information contained in the Preliminary Offer Document and publicly available information about the Company and no other disclosure or representation by us or any other party, (iii) consulted your own independent counsel and advisors or otherwise have satisfied yourself concerning, the effects of local laws, (iv) received all information that you believe is necessary or appropriate in order to make an investment decision in respect of the Company and the Equity Shares offered in the Issue, and (v) relied upon your own investigation and resources in deciding to invest in the Issue;

- Neither the Book Running Lead Managers nor the Syndicate Member nor any of their shareholders, directors, officers, employees, counsel, representatives, agents or affiliates, have provided you with any tax advice or otherwise made any representations regarding the tax consequences of purchase, ownership and disposal of the Equity Shares offered in the Issue (including the Issue and the use of proceeds from such Equity Shares). You will obtain your own independent tax advice and will not rely on the Book Running Lead Managers, the Syndicate Member or any of their shareholders, directors, officers, employees, counsel, representatives, agents or affiliates, when evaluating the tax consequences in relation to the Equity Shares offered in the Issue (including, in relation to the Issue and the use of proceeds from the Equity Shares offered in the Issue). You waive, and agree not to assert any claim against, any of the Company, the Book Running Lead Managers, the Syndicate Member or any of their respective shareholders, directors, officers, employees, counsel, representatives, agents or affiliates, with respect to the tax aspects of the Equity Shares offered in the Issue or as a result of any tax audits by tax authorities, wherever situated;

- You are a sophisticated investor who is seeking to subscribe to the Equity Shares offered in the Issue for your own investment and not with intent to distribute such Equity Shares and have such knowledge and experience in financial, business and investments as to be capable of evaluating the merits and risks of the investment in the Equity Shares offered in the Issue. You and any accounts for which you are subscribing to the Equity Shares offered in the Issue (i) are each able to bear the economic risk of the investment in the Equity Shares to be issued pursuant to the Issue, (ii) are able to sustain a complete loss on the investment in the Equity Shares to be issued pursuant to the Issue, (iii) have no need for liquidity with respect to the investment in the Equity Shares offered in the Issue, (iv) have sufficient knowledge, sophistication and experience in financial and business matters so as to be capable of evaluating the merits and risk of subscribing to the Equity Shares offered in the Issue, and (v) have no reason to anticipate any change in your or their circumstances, financial or otherwise, which may cause or require any sale or distribution by you or them of all or any part of the Equity Shares offered in the Issue. You acknowledge that an investment in the Equity Shares offered in the Issue involves a high degree of risk and that such Equity Shares are, therefore, a speculative investment. You are seeking to subscribe to the Equity Shares offered in this Issue for your own investment and not with a view to resale or distribution;

- If you are acquiring the Equity Shares offered in the Issue, for one or more managed accounts, you represent and warrant that you are authorised in writing, by each such managed account to acquire such Equity Shares for each managed account and make the representations, warranties, acknowledgements and agreements herein for and on behalf of each such account, reading the reference to 'you' to include such accounts;

- You are neither a Promoter (hereinafter defined) nor a person related to the Promoters, either directly or indirectly, and your ASBA Application does not directly or indirectly represent the Promoters or the Promoter Group (hereinafter defined) or persons related to the Promoters. For the purposes of this representation you will be deemed to be related to the Promoters if you have any rights under any shareholders' agreement or voting agreement entered into with the Promoters or persons related to the Promoters, any veto rights or any right to appoint any nominee director on the Board, other than the rights, if any, acquired in the capacity of a lender not holding any Equity Shares;

- You have no right to withdraw your ASBA Application or revise the price per Equity Share or the number of Equity Shares mentioned in your ASBA Application downwards;

- You are eligible to apply for and hold the Equity Shares offered in the Issue, which are Allotted to you together with any Equity Shares held by you prior to the Issue. You confirm that your aggregate holding after the Allotment of the Equity Shares offered in the Issue shall not exceed the level permissible as per any applicable regulations;

- The ASBA Application submitted by you would not result in triggering a tender offer under the Takeover Regulations (hereinafter defined);

- You, together with other Eligible QIBs that belong to the same group as you or are under common control with you, shall not subscribe for more than 25% of the Issue Size (assuming exercise of the Over Allotment Option in full) and shall not be Allotted Equity Shares in excess of 25% of the aggregate number of Equity Shares Allotted in the Issue. For the purposes of this representation:

  a. The expression 'belong to the same group' shall have the same meaning as 'companies under the same group' as provided in sub-section (11) of Section 372 of the Companies Act (hereinafter defined); and

  b. The expression 'control' shall have the same meaning as is assigned to it under Regulation 2(1)(e) of the Takeover Regulations;

  For meaning of the terms 'companies under the same group' under sub-section (11) of Section 372 of the Companies Act and 'control' under Regulation 2(1)(e) of the Takeover Regulations, see "***Issue Procedure***".

- You shall not undertake any trade in the Equity Shares issued pursuant to the Issue and credited to your Depository Participant account until such time that the final listing and trading approvals for such Equity Shares are issued by the Stock Exchanges;

- You are aware that (i) applications for in-principle approval, in terms of Clause 24(a) of the Equity Listing Agreement, for listing and admission of the Equity Shares offered in the Issue and for trading on the Stock Exchanges, were made and approval has been received from each of the Stock Exchanges, and (ii) the application for the final listing and trading approval will be made after Allotment of the Equity Shares in the Issue. There can be no assurance that the final approvals for listing of the Equity Shares issued pursuant to the Issue will be obtained in time, or at all. The Company shall not be responsible for any delay or non-receipt of such final approvals or any loss arising from such delay or non-receipt;

- By participating in the Issue, you confirm that you have neither received nor relied on any other information, representation, warranty or statement made by, or on behalf of, the Book Running Lead Managers, the Syndicate Member or the Company or any of their respective affiliates or any other person acting on their behalf and neither the Book Running Lead Managers nor the Company nor the Syndicate Member nor any of their respective affiliates or other person acting on their behalf will be liable for your decision to participate in the Issue based on any other information, representation, warranty or statement that you may have obtained or received;

- You confirm that the only information you are entitled to rely on, and on which you have relied in committing yourself to acquire the Equity Shares offered in the Issue is contained in this Preliminary Offer Document, such information being all that you deem necessary to make an investment decision in respect of the Equity Shares offered in the Issue and neither the Book Running Lead Managers nor the Company nor the Syndicate Member will be liable for your decision to accept an invitation to participate in the Issue based on any other information, representation, warranty or statement that you may have obtained or received;

- The Book Running Lead Managers and the Syndicate Member do not have any obligation to purchase or acquire all or any part of the Equity Shares subscribed for by you or to support any losses directly or indirectly sustained or incurred by you for any reason whatsoever in connection with the Issue, including non-performance by the Company of any of its obligations or any breach of any representations and warranties by the Company, whether to you or otherwise;

- You understand that the Equity Shares offered in the Issue have not been and will not be registered under the U.S. Securities Act or with any securities regulatory authority of any state of the United States and accordingly, may not be offered or sold within the United States, except in reliance on an exemption from the registration requirements of the U.S. Securities Act;

- If you are a resident of the United States, you are a "qualified institutional buyer" as defined in Rule 144A under the U.S. Securities Act and are acquiring the Equity Shares offered in the Issue for your own account and not with a view for distribution;

- If you are not within the United States, you are acquiring the Equity Shares offered in the Issue in an offshore transaction meeting the requirements of Rule 905 or Rule 904 of Regulation S;

- You agree that any dispute arising in connection with the Issue will be governed by and construed in accordance with the laws of Republic of India, and the courts in Mumbai, India shall have exclusive jurisdiction to settle any disputes which may arise out of or in connection with the Issue, this Preliminary Offer Document and the Offer Document;

- Each of the representations, warranties, acknowledgements and agreements set out above shall continue to be true and accurate at all times up to and including the Allotment, listing and trading of the Equity Shares issued pursuant to the Issue on the Stock Exchanges;

- You agree to indemnify and hold the Company, the Book Running Lead Managers, the Syndicate Member and their respective affiliates harmless from any and all costs, claims, liabilities and expenses (including legal fees and expenses) arising out of or in connection with any breach or alleged breach of the foregoing representations, warranties, acknowledgements and undertakings made by you in this Preliminary Offer Document. You agree that the indemnity set forth in this paragraph shall survive the resale of the Equity Shares issued pursuant to the Issue by, or on behalf of, the managed accounts;

- You agree to abide by the Basis of Allocation provided in this Preliminary Offer Document, and the Allocation done in accordance with Basis of Allocation as overseen by the Stock Exchanges;

- You agree to provide additional documents as may be required by the Company and the Syndicate for finalisation of the Basis of Allocation along with the Stock Exchanges. The Company, the Book Running Lead Managers, the Syndicate Member and their affiliates may rely on the accuracy of such documents provided by you; and

- The Company, the Book Running Lead Managers, the Syndicate Member, their respective affiliates and others will rely on the truth and accuracy of the foregoing representations, warranties, acknowledgements and undertakings, which are given to the Book Running Lead Managers and the Syndicate Member on their own behalf and on behalf of the Company, and are irrevocable.

OFFSHORE DERIVATIVE INSTRUMENTS

Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of Regulation 15A(1) of the Securities and Exchange Board of India (Foreign Institutional Investors) Regulations, 1995 (the "**FII Regulations**"), a FII may issue or otherwise deal in offshore derivative instruments such as participatory notes, equity-linked notes or any other similar instruments issued overseas against underlying securities, listed or proposed to be listed on any recognized stock exchange in India, such as the Equity Shares offered in the Issue (all such offshore derivative instruments are referred to herein as "**P-Notes**"), for which they may receive compensation from the purchasers of such instruments. P-Notes may be issued only in favour of those entities which are regulated by any appropriate foreign regulatory authorities subject to compliance with applicable 'know your client' requirements. A FII shall also ensure that no further issue or transfer of any instrument referred to above is made by or on behalf of it to any person other than such entities regulated by an appropriate foreign regulatory authority. No sub-account of a FII is permitted to directly or indirectly issue P-Notes. P-Notes have not been and are not being offered, issued or sold pursuant to this Preliminary Offer Document. This Preliminary Offer Document does not contain any information concerning P-Notes or the issuer(s) of any P-notes, including any information regarding any risk factors relating thereto.

Any P-Notes that may be issued are not securities of the Company and do not constitute any obligation of, claims on or interests in the Company, the Book Running Lead Managers or the Syndicate Member. The Company has not participated in any offer of any P-Notes, or in the establishment of the terms of any P-Notes, or in the preparation of any disclosure related to the P-Notes. Any P-Notes that may be offered are issued by, and are the sole obligations of, third parties that are unrelated to the Company, the Book Running Lead Managers or the Syndicate Member. The Company, the Book Running Lead Managers and the Syndicate Member do not make any recommendation as to any investment in P-Notes and do not accept any responsibility whatsoever in connection with the P-Notes. Any P-Notes that may be issued are not securities of the Book Running Lead Managers or the Syndicate Member and do not constitute any obligations of or claims on the Book Running Lead Managers or the Syndicate Member. Affiliates of the Book Running Lead Managers that are registered as FIIs may purchase, to the extent permissible under law, the Equity Shares offered in the Issue, and may issue P-Notes in respect thereof.

Prospective investors interested in purchasing any P-Notes have the responsibility to obtain adequate disclosures as to the issuer(s) of such P-Notes and the terms and conditions of any such P-Notes from the issuer(s) of such P-Notes. Neither SEBI nor any other regulatory authority has reviewed or approved any P-Notes or any disclosure related thereto. Prospective investors are urged to consult their own financial, legal, accounting and tax advisors regarding any contemplated investment in P-Notes, including whether P-Notes are issued in compliance with applicable laws and regulations.

DISCLAIMER CLAUSE

As required, a copy of this Preliminary Offer Document has been delivered to each of the Stock Exchanges and SEBI and for registration to the RoC. The Stock Exchanges, SEBI and the RoC do not in any manner:

(1) warrant, certify or endorse the correctness or completeness of the contents of the Preliminary Offer Document;

(2) warrant that the Equity Shares issued pursuant to the Issue will be listed or the Equity Shares will continue to be listed on the Stock Exchanges; or

(3) take any responsibility for the financial or other soundness of the Company, its Promoters, its management or any scheme or project of the Company.

It should not for any reason be deemed or construed to mean that the Preliminary Offer Document has been reviewed or approved by the Stock Exchanges or SEBI. Every person who desires to apply for or otherwise acquire any Equity Shares offered in the Issue may do so pursuant to an independent inquiry, investigation and analysis and shall not have any claim against the Stock Exchanges, SEBI and the RoC whatsoever, by reason of any loss which may be suffered by such person consequent to or in connection with, such subscription/acquisition, whether by reason of anything stated or omitted to be stated herein, or for any other reason whatsoever.

PRESENTATION OF FINANCIAL AND OTHER INFORMATION

In this Preliminary Offer Document, unless the context otherwise indicates or implies, references to 'you', 'your', 'offeree', 'purchaser', 'subscriber', 'recipient', 'investors', 'prospective investors' and 'potential investor' are to the prospective investors in the Issue, references to 'the Company' are to Godrej Properties Limited, and references to 'we', 'us', 'our' or 'our Company' are to Godrej Properties Limited, its Subsidiaries and LLPs, unless otherwise specified.

In this Preliminary Offer Document, all references to "Indian Rupees" "₹" and "Rs." are to Indian Rupees and all references to "U.S. dollars", "USD" and "U.S.$" are to United States dollars. All references herein to the "U.S." or the "United States" are to the United States of America and its territories and possessions and all references to "India" are to the Republic of India and its territories and possessions.

The financial year of the Company commences on April 1 of each calendar year and ends on March 31 of the succeeding calendar year, so, unless otherwise specified or if the context requires otherwise, all references to a particular 'financial year', 'fiscal year', 'fiscal' or 'FY' are to the twelve month period ended on March 31 of that year.

The Company publishes its consolidated and unconsolidated financial statements in Indian Rupees. The Company's consolidated financial statements included herein have been prepared in accordance with Indian GAAP and the Companies Act. Unless otherwise indicated, all financial data in this Preliminary Offer Document are derived from the Company's financial statements prepared in accordance with Indian GAAP. Indian GAAP differs in certain significant respects from International Financial Reporting Standards ("**IFRS**") and U.S. GAAP and accordingly, the degree to which the financial statements prepared in accordance with Indian GAAP included in the Preliminary Offer Document will provide meaningful information is entirely dependent on the reader's familiarity with the respective accounting policies. The Company does not provide a reconciliation of its financial statements to IFRS or U.S. GAAP financial statements. See "***Risk Factors – Indian corporate and other disclosure and accounting standards differ from those observed in other jurisdictions such as U.S. GAAP and IFRS***".

The financial statements of the Company, including the audited consolidated financial statements of the Company as of and for the fiscal years ended March 31, 2011, 2010 and 2009, and as of and for the nine month periods ended December 31, 2011 and 2010, prepared in accordance with Indian GAAP, are included in this Preliminary Offer Document and are referred to herein as the "***Financial Statements***".

In this Preliminary Offer Document, certain monetary thresholds have been subjected to rounding adjustments; accordingly, figures shown as totals in certain tables may not be an arithmetic aggregation of the figures which precede them.

INDUSTRY AND MARKET DATA

Information regarding market position, growth rates and other industry data pertaining to the business of the Company contained in this Preliminary Offer Document consists of estimates based on data reports compiled by government bodies, professional organisations and analysts, data from other external sources and knowledge of the markets in which the Company competes. Unless stated otherwise, the statistical information included in this Preliminary Offer Document relating to the industry in which the Company operates has been reproduced from various trade, industry and government publications and websites.

This data is subject to change and cannot be verified with certainty due to limits on the availability and reliability of the raw data and other limitations and uncertainties inherent in any statistical survey. Neither the Company nor the Book Running Lead Managers nor the Syndicate Member have independently verified this data and do not make any representation regarding the accuracy of such data. The Company takes responsibility for accurately reproducing such information but accepts no further responsibility in respect of such information and data. In many cases, there is no readily available external information (whether from trade or industry associations, government bodies or other organisations) to validate market-related analysis and estimates, so the Company has relied on internally developed estimates. Similarly, while the Company believes its internal estimates to be reasonable, such estimates have not been verified by any independent sources and neither the Company nor the Book Running Lead Managers nor the Syndicate Member can assure potential investors as to their accuracy.

FORWARD-LOOKING STATEMENTS

Certain statements contained in this Preliminary Offer Document that are not statements of historical fact constitute 'forward-looking statements'. Investors can generally identify forward-looking statements by terminology such as 'aim', 'anticipate', 'believe', 'continue', 'can', 'could', 'estimate', 'expect', 'intend', 'may', 'objective', 'plan', 'potential', 'project', 'pursue', 'shall', 'should', 'will', 'would', or other words or phrases of similar import. Similarly, statements that describe the strategies, objectives, plans or goals of the Company are also forward-looking statements. However, these are not the exclusive means of identifying forward-looking statements. All statements regarding the Company's expected financial conditions, results of operations, business plans and prospects are forward-looking statements. These forward-looking statements include statements as to the Company's business strategy, revenue and profitability (including, without limitation, any financial or operating projections or forecasts), new business and other matters discussed in this Preliminary Offer Document that are not historical facts. These forward-looking statements contained in this Preliminary Offer Document (whether made by the Company or any third party), are predictions and involve known and unknown risks, uncertainties, assumptions and other factors that may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements or other projections. All forward-looking statements are subject to risks, uncertainties and assumptions about the Company that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement. Important factors that could cause actual results to differ materially from the Company's expectations include, among others:

- Our business is dependent on the performance of, and the conditions affecting, the real estate market in India.
- We enter into arrangements with various third parties to acquire land or development rights, which entail certain risks.
- We are dependent upon third party entities for the construction and development of our projects, which entails certain risks.
- Increase in prices of, shortages of, or delays or disruptions in the supply of building materials or labour could adversely affect our financial condition and results of operations.
- A significant portion of our Land Reserves are located in Ahmedabad and as a result our business, financial condition and results of operations are significantly dependent on the performance of, and the conditions affecting the real estate market in Ahmedabad.
- We face uncertainty of title to our lands, which entails certain risks.
- Our indebtedness and the restrictive covenants imposed upon us in certain debt facilities could restrict our ability to conduct our business and grow our operations, which would adversely affect our financial condition and results of operations.
- If we fail to anticipate and respond to customer requirements, our business and prospects could be adversely affected.
- The real estate industry in India is intensely competitive and our inability to compete effectively may adversely affect our business, financial condition and results of operations.
- We depend on our senior management and key personnel and our ability to retain them and attract new key personnel when necessary is an important component of our success.
- We have not obtained certain approvals or permits for some of our projects and may be unable to obtain or renew required approvals and permits in a timely manner or at all and existing approvals or permits may be suspended or revoked which could have an adverse effect on our business, prospects, financial condition and results of operations.
- Our business is heavily dependent on the availability of real estate financing in India.
- The real estate industry has witnessed significant downturns in the past and any significant downturn in the future could adversely affect our business, financial condition and results of operations.

Additional factors that could cause actual results, performance or achievements to differ materially include, but are not limited to, those discussed in "***Risk Factors***", "***Industry Overview***", "***Our Business***" and "***Management's Discussion and Analysis of Financial Condition and Results of Operations***". The forward-looking statements contained in this Preliminary Offer Document are based on the beliefs of management, as well as the assumptions made by, and information currently available to, management of the Company. Although the Company believes that the expectations reflected in such forward-looking statements are reasonable at this time, it cannot assure investors that such expectations will prove to be correct. Given these uncertainties, investors are cautioned not to place undue reliance on such forward-looking statements. In any event, these statements speak only as of the date of this Preliminary Offer Document or the respective dates indicated in this Preliminary Offer Document, and the Company undertakes no obligation to update or revise any of them, whether as a result of new information, future events or otherwise. If any of these risks and uncertainties materialise, or if any of the Company's underlying assumptions prove to be incorrect, the actual results of operations or financial condition of the Company could differ materially from that described herein as anticipated, believed, estimated or expected. All subsequent forward-looking statements attributable to the Company are expressly qualified in their entirety by reference to these cautionary statements.

ENFORCEMENT OF CIVIL LIABILITIES

The Company is a public company incorporated with limited liability under the laws of India. All of the Company's Directors are residents of India. All of the key managerial personnel named here are residents of India and all the assets of the Company are located in India. As a result, it may be difficult for investors outside India to effect service of process upon the Company or such persons in India, or to enforce judgments obtained against such parties outside India.

Recognition and enforcement of foreign judgments is provided for under Section 13 and Section 44A of the Code of Civil Procedure, 1908 (the "**Civil Procedure Code**"), on a statutory basis. Section 13 of the Civil Procedure Code provides that a foreign judgment shall be conclusive regarding any matter directly adjudicated upon by the same parties or between parties under whom they or any of them claim to be litigating under the same title, except: (i) where the judgment has not been pronounced by a court of competent jurisdiction; (ii) where the judgment has not been given on the merits of the case; (iii) where it appears on the face of the proceedings that the judgment is founded on an incorrect view of international law or a refusal to recognize the law of India in cases in which such law is applicable; (iv) where the proceedings in which the judgment was obtained were opposed to natural justice; (v) where the judgment has been obtained by fraud; and (vi) where the judgment sustains a claim founded on a breach of any law in force in India.

India is not a party to any international treaty in relation to the recognition or enforcement of foreign judgments. However, Section 44A of the Civil Procedure Code provides that a foreign judgment rendered by a superior court (within the meaning of that section) in any country or territory outside India which the Government of India (the "**GoI**" or the "**Government**") has by notification declared to be a reciprocating territory, may be enforced in India by proceedings in execution as if the judgment had been rendered by a appropriate court in India. However, Section 44A of the Civil Procedure Code is applicable only to monetary decrees not being in the nature of any amounts payable in respect of taxes or other charges of a like nature or in respect of a fine or other penalties and does not include arbitration awards.

Each of the United Kingdom, Singapore and Hong Kong has been declared by the GoI to be a reciprocating territory for the purposes of Section 44A of the Civil Procedure Code, but the United States of America has not been so declared. A judgment of a court in a jurisdiction which is not a reciprocating territory may be enforced only by a fresh suit upon the judgment and not by proceedings in execution. The suit has to be filed in India within three years from the date of the foreign judgment in the same manner as any other suit filed to enforce a civil liability in India. It is unlikely that a court in India would award damages on the same basis as a foreign court if an action is brought in India. Furthermore, it is unlikely that an Indian court would enforce foreign judgments if it viewed the amount of damages awarded as excessive or inconsistent with public policy in India. Further, any judgment or award in a foreign currency would be converted into Rupees on the date of such judgment or award and not on the date of payment. A party seeking to enforce a foreign judgment in India is required to obtain approval from RBI to repatriate outside India any amount recovered pursuant to such award, and any such amount may be subject to income tax in accordance with applicable laws.

EXCHANGE RATES

Fluctuations in the exchange rate between the Rupee and foreign currencies will affect the foreign currency equivalent of the Rupee price of the Equity Shares on the Stock Exchanges. These fluctuations will also affect the conversion into foreign currencies of any cash dividends paid in Rupees on the Equity Shares.

The following table sets forth information concerning exchange rates between the Rupee and the U.S. dollar for the periods indicated. Exchange rates are based on the reference rates released by RBI, which are available on the website of RBI. No representation is made that any Rupee amounts could have been, or could be, converted into U.S. dollars at any particular rate, the rates stated below, or at all. On March 14, 2012, the exchange rate (RBI reference rate) was ₹ 49.90 to U.S.$1.00 (Source: *www.rbi.org.in*).

	Period End	Average(1)	High	Low
Financial Year:	(₹ Per U.S.$1.00)			
2011	44.65	45.58	47.57	44.03
2010	45.14	47.42	50.53	44.94
2009	50.95	45.91	52.06	39.89
Quarter Ended:				
December 31, 2011	53.27	51.01	54.24	48.82
September 30, 2011	48.93	45.76	49.67	43.95
June 30, 2011	44.72	44.74	45.38	44.04

(1) Average of the official rate for each working day of the relevant period.

Source : *www.rbi.org.in*)

DEFINITIONS AND ABBREVIATIONS

This Preliminary Offer Document uses the definitions and abbreviations set forth below which, unless otherwise specified, you should consider when reading the information contained herein. References to any legislation, act, regulation or statutory provision in this Preliminary Offer Document shall be construed as reference to such term as amended, modified or re-enacted from time to time.

Company and Industry Related Terms

Term	Description
the Company	Godrej Properties Limited, a public limited company incorporated under the Companies Act and having its registered office at Godrej Bhavan, 4th Floor, 4A, Home Street, Fort, Mumbai 400 001
Acre	43,560 sq. ft.
Articles of Association or Articles	The Articles of Association of the Company, as amended from time to time
Auditor	The statutory auditor of the Company, M/s. Kalyaniwalla & Mistry, Chartered Accountants
Board or Board of Directors	The board of directors of the Company
Developable Area	Total area which we develop in each project, and includes carpet area, common area, service and storage area, as well as other open areas, including car parking
Directors	Directors on the Board, as may be appointed from time to time
Equity Shares	Equity shares of face value of ₹ 10 each of the Company
GPL ESGS	Godrej Properties Limited Employees Stock Grant Scheme 2011
GPL ESOP	Godrej Properties Limited Employee Stock Option Plan
Godrej Industries	Godrej Industries Limited
Godrej & Boyce	Godrej & Boyce Manufacturing Company Limited
Forthcoming Projects	Projects for which land or development rights have been acquired or a memorandum of understanding or an agreement to acquire or a joint development agreement has been executed, in each case, by the Company, its Subsidiaries and LLPs, either directly or indirectly, and preliminary management development plans are complete
FSI	Floor space index, which means the quotient of the ratio of the combined gross floor area of all floors, excepting areas specifically exempted, to the total area of the plot
Land Reserves	Lands to which we have title, or land from which we can derive the economic benefit, through a joint development agreement, agreement to sell or other agreements that transfer development rights to us and which form a part of our Ongoing Projects and Forthcoming Projects
LLPs	Godrej Vikhroli Properties LLP, Godrej Buildcorp LLP, Godrej Property Developers LLP and Mosiac Landmarks LLP
Memorandum of Association or Memorandum	The Memorandum of Association of the Company, as amended from time to time
Ongoing Projects	Projects in respect of which (i) all title or development rights, or other interest in the land is held either directly by the Company, its Subsidiaries, its LLPs and/or other entities in which these entities are shareholders or have a stake; and (ii) wherever required, all land for the project has been converted for the intended use; and (iii) the requisite approvals for commencement of construction have been obtained or applied for, as the case may be. This includes partial or all phases of the projects
Promoters	Godrej & Boyce and Godrej Industries
Promoter Group	The promoter group of the Company as determined in terms of Regulation 2(1)(zb) of the SEBI Regulations
Registered Office	Godrej Bhavan, 4th Floor, 4A, Home Street, Fort, Mumbai 400 001
Saleable Area	Part of the Developable Area for which the prospective buyer or tenant or lessee or licensee, as the case may be, is obligated to pay the developer(s) or for which the

Term	Description
	developer(s) expect that the prospective buyer or tenant or lessee or licensee, as the case may be, will pay
sq. ft.	square feet
Subsidiary(ies)	Godrej Realty Private Limited, Godrej Waterside Properties Private Limited, Godrej Developers Private Limited, Godrej Real Estate Private Limited, Godrej Sea View Properties Private Limited, Happy Highrises Limited, Godrej Premium Builders Private Limited, Godrej Buildcon Private Limited, Godrej Garden City Properties Private Limited, Godrej Projects Development Private Limited, Godrej Nandhi Hills Project Private Limited, Godrej Buildwell Private Limited, Godrej Landmark Redevelopers Private Limited and Godrej Estate Developers Private Limited
TDR	Transferable development rights, which means when in certain circumstances, the development potential of land may be separated from the land itself and may be made available to the owner of the land in the form of transferable development rights
"we" or "us" or "our" or "our Company"	Godrej Properties Limited, the Subsidiaries and the LLPs

Issue Related Terms

Term	Description
Allocation or Allocated	Allocation of the Equity Shares offered in the Issue following the determination of the Issue Price to Applicants on the basis of the ASBA Applications submitted by them and in accordance with the Allotment Criteria
Allotment or Allotted or Allot	Unless the context otherwise requires, the issue and allotment of the Equity Shares pursuant to the Issue including pursuant to the exercise of the Over Allotment Option
Allottees	Eligible QIBs to whom the Equity Shares are Allotted pursuant to the Issue
Allotment Criteria	The method as finalised by the Company based on which the Equity Shares offered in the Issue will be Allocated and Allotted to successful Applicants, in this case being the proportionate method
Applicant	An Eligible QIB that submits an ASBA Application in accordance with the provisions of this Preliminary Offer Document
Application Amount	The highest value indicated by the Applicant in the ASBA Application to subscribe for the Equity Shares applied for in the ASBA Application
ASBA	Application supported by blocked amount
ASBA Application	An application by an Applicant, whether physical or electronic, offering to subscribe for the Equity Shares in the Issue at any price at or above the Floor Price or within the Price Band, as the case may be, including any revisions thereof, pursuant to the terms of the Preliminary Offer Document and which shall also be an authorisation to an SCSB to block the Application Amount in the ASBA Account maintained with such SCSB. The ASBA Application will also be considered as the application for Allotment for the purposes of this Preliminary Offer Document and the Offer Document. The price per Equity Share and the number of Equity Shares applied for under an ASBA Application may only be revised upwards and any downward revision in price per Equity Share and/or the number of Equity Shares applied for under an ASBA Application or withdrawal of the ASBA Application is not permitted
ASBA Account	An account maintained with the SCSB by the Applicant and specified in the ASBA Application for blocking the Application Amount
Basis of Allocation	The basis on which Equity Shares offered in the Issue will be Allocated to successful Applicants in the Issue and the CAN will be dispatched, as described in "***Issue Procedure***"
Book Running Lead Managers or BRLMs	Kotak Mahindra Capital Company Limited and UBS Securities India Private Limited

Term	Description
CAN or Confirmation of Allocation Note	Note, advice or intimation sent to the Applicants who have been Allocated Equity Shares offered in the Issue, confirming the Allocation of Equity Shares to such Applicants after the determination of the Issue Price in terms of the Basis of Allocation approved by the Stock Exchanges, and shall constitute a valid, binding and irrevocable agreement on part of the Applicant to subscribe to the Equity Shares Allocated to such Applicant at the Issue Price
Cap Price	The higher end of the Price Band, if any, announced by the Company, above which the Issue Price will not be finalised and above which no ASBA Applications will be accepted
Designated Branches	Such branches of the SCSBs which shall collect the ASBA Applications and a list of which is available at http://www.sebi.gov.in/cms/sebi_data/attachdocs/1330923506730.html
Designated Date	The date on which funds blocked by the SCSB are transferred from the ASBA Accounts of the successful Applicants to the Public Issue Account or unblocked, as the case may be, after the Offer Document is filed with the RoC
Eligible QIB or Eligible Qualified Institutional Buyer	A qualified institutional buyer, as defined under Regulation 2(1)(zd) of the SEBI Regulations, provided that, with respect to this Issue, this term shall not include foreign venture capital investors and multilateral and bilateral development financial institutions
Floor Price	The price below which the Issue Price will not be finalised and the Equity Shares offered in the Issue shall not be Allotted. The Floor Price will be decided by the Company in consultation with the Book Running Lead Managers and shall be announced at least one day prior to the Issue Opening Date. Any ASBA Application made at a price per Equity Share below the Floor Price will be rejected
Floor Price / Price Band Announcement	The announcement of either the Floor Price or the Price Band, made by the Company at least one day prior to the Issue Opening Date
Institutional Placement Programme or IPP	Institutional placement programme in which offer, allocation and allotment of equity shares is made under Chapter VIII-A of the SEBI Regulations
Issue	The offer and issuance of up to 7,442,555 Equity Shares, with a right to Allot an additional up to 744,255 Equity Shares pursuant to exercise of the Over Allotment Option, to Eligible QIBs, pursuant to Chapter VIII-A of the SEBI Regulations
Issue and Placement Agreement	The issue and placement agreement dated March 15, 2012, among the Company and the Book Running Lead Managers in relation to the Issue
Issue Closing Date	The last date up to which the ASBA Applications shall be accepted, which date shall be announced along with the Floor Price / Price Band Announcement
Issue Opening Date	The date on which the Designated Branches and the members of the Syndicate will start accepting the ASBA Applications, which date shall be announced along with the Floor Price / Price Band Announcement
Issue Period	The period between the Issue Opening Date and Issue Closing Date, inclusive of both dates during which Eligible QIBs can submit their ASBA Applications to the SCSBs and the members of the Syndicate (in the Specified Cities)
Issue Price	The price at which the Equity Shares offered in the Issue will be Allotted to the successful Applicants, and indicated in the CAN, which shall be equal to or greater than the Floor Price, or within the Price Band, as the case may be
Issue Size	The aggregate size of the Issue, comprising of up to 7,442,555 Equity Shares and the additional number of Equity Shares that the Company may Allot pursuant to the exercise of the Over Allotment Option, each Allotted at the Issue Price
Kotak	Kotak Mahindra Capital Company Limited
Offer Document	The offer document to be filed with the RoC in accordance with the provisions of the Companies Act, containing, *inter alia*, the Issue Size, the Issue Price and certain other information
Over Allotment Option	The right, exercisable by the Company in consultation with the Book Running Lead Managers, in case of over subscription in the Issue, to Allot an additional up to 744,255 Equity Shares, as per the SEBI Regulations, on or prior to dispatch of CANs

Term	Description
Preliminary Offer Document	The preliminary offer document issued in accordance with the provisions of the Companies Act, which does not have complete particulars of the price at which the Equity Shares are offered in the Issue and the size of the Issue. The Preliminary Offer Document will be filed with the RoC at least three days before the Issue Opening Date and will become the Offer Document upon filing with the RoC after the Pricing Date
Price Band	Price band, if any, announced by the Company for the Issue, of a minimum price (Floor Price) and a maximum price (Cap Price), which will be decided by the Company in consultation with the Book Running Lead Managers and which shall be announced at least one day prior to the Issue Opening Date
Pricing Date	The date on which the Company in consultation with the Book Running Lead Managers finalises the Issue Price
Public Issue Account	The account opened with the Public Issue Account Bank in terms of Section 73 of the Companies Act to receive monies from the ASBA Accounts on the Designated Date
Public Issue Account Agreement	Public issue account agreement dated [●], 2012 among the Company, the BRLMs, the Syndicate Member and the Public Issue Account Bank
Public Issue Account Bank	The bank which is clearing member and registered with SEBI as a banker to the issue with whom the Public Issue Account will be opened and in this case being HDFC Bank Limited
QIB or Qualified Institutional Buyer	A qualified institutional buyer, as defined under Regulation 2(1)(zd) of the SEBI Regulations
Registrar to the Issue	Karvy Computershare Private Limited
Revision Form	The form used by the Applicants, to modify the number of Equity Shares applied for or the price per Equity Share in any of their ASBA Applications or any previous Revision Form(s). Applicants are not allowed to revise the price per Equity Share or the number of Equity Shares applied for downwards
Self Certified Syndicate Bank(s) or SCSB(s)	A banker to the issue registered with SEBI, which offers the facility of ASBA and a list of which is available at http://www.sebi.gov.in/cms/sebi_data/attachdocs/1330923506730.html
Specified Cities	Cities as specified in the SEBI Circular no. CIR/CFD/DIL/1/2011 dated April 29, 2011, namely, Mumbai, Chennai, Kolkata, Delhi, Ahmedabad, Rajkot, Jaipur, Bangalore, Hyderabad, Pune, Baroda and Surat
Stock Exchanges	The BSE and the NSE
Syndicate or members of the Syndicate	The BRLMs and the Syndicate Member
Syndicate Agreement	The agreement dated [●], 2012 among the Syndicate and the Company in relation to the Issue
Syndicate ASBA Bidding Centres	Centres in the Specified Cities where the Applicants can register their ASBA Applications with a member of the Syndicate
Syndicate Member	Kotak Securities Limited
TRS or Transaction Registration Slip	The slip or document issued by a member of the Syndicate or the SCSB (only on demand), as the case may be, to the Applicant as proof of registration of the ASBA Application
UBS	UBS Securities India Private Limited
Working Day	Any day, other than Saturdays and Sundays, on which commercial banks in Mumbai are open for business, provided however, for the purpose of the time period between the Issue Closing Date and listing of the Equity Shares offered pursuant to the Issue on the Stock Exchanges, "Working Days", shall mean all days excluding Sundays and bank holidays in Mumbai in accordance with the SEBI Circular no. CIR/CFD/DIL/3/2010 dated April 22, 2010

Conventional and General Terms

Term	Description
BSE	BSE Limited

Term	Description
CAGR	Compounded annual growth rate
CDSL	Central Depository Services (India) Limited
Civil Procedure Code	Code of Civil Procedure, 1908
Client ID	Beneficiary account identity
Companies Act	Companies Act, 1956
Consolidated FDI Policy	Circular 2 of 2011 dated September 30, 2011, issued by the Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India, effective from October 1, 2011
Depositories	NSDL and CDSL
Depositories Act	Depositories Act, 1996
Depository Participant or DP	A depository participant as defined under the Depositories Act
DP ID	Depository participant identity
EPS	Earnings per share, i.e., profit after tax for a financial year divided by the weighted average number of equity shares during the financial year
Equity Listing Agreement	The equity listing agreements entered by the Company with each of the Stock Exchanges
FEMA	Foreign Exchange Management Act, 1999, together with rules and regulations thereunder
FII Regulations	Securities and Exchange Board of India (Foreign Institutional Investors) Regulations, 1995
FIIs	Foreign institutional investors (as defined under the FII Regulations) registered with SEBI
Financial year or fiscal year or fiscal or FY	Period of 12 months ended March 31 of that particular year
FVCI or foreign venture capital investors	Foreign venture capital investors (as defined under the Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000) registered with SEBI
GDP	Gross Domestic Product
GoI or Government	Government of India
HUF	Hindu Undivided Family
ICAI	Institute of Chartered Accountants of India
IFRS	International Financial Reporting Standards
I.T. Act	Income Tax Act, 1961
IND AS	Indian Accounting Standards converged with International Financial Reporting Standards
Indian GAAP	Generally Accepted Accounting Principles in India
Insider Trading Regulations	Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992
Insurance Company	An insurance company registered with the Insurance Regulatory and Development Authority in India
Limited liability partnership	A limited liability partnership registered with the registrar of companies under the Limited Liability Partnership Act, 2008
MAT	Minimum Alternate Tax
MoU	Memorandum of Understanding
Mutual Fund	A mutual fund registered with SEBI under the SEBI (Mutual Funds) Regulations, 1996
NCR	National Capital Region
Non-Resident	A person resident outside India, as defined under the FEMA and includes a Non-Resident Indian
NSDL	National Securities Depository Limited
NSE	The National Stock Exchange of India Limited
PAN	Permanent Account Number allotted under the I.T. Act

Term	Description
Portfolio Investment Scheme	The portfolio investment scheme of RBI specified in Schedule 2 of the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000
RBI	Reserve Bank of India
Regulation S	Regulation S under the U.S. Securities Act
Rule 144A	Rule 144A under the U.S. Securities Act
RoC	The Registrar of Companies, Maharashtra located at 100, Everest, Marine Drive, Mumbai 400 002
Rs./ ₹	Indian Rupees
SCRA	Securities Contracts (Regulation) Act, 1956
SCRR	Securities Contracts (Regulation) Rules, 1957
SEBI	Securities and Exchange Board of India constituted under the SEBI Act
SEBI Act	Securities and Exchange Board of India Act, 1992
SEBI Regulations	Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009
STT	Securities Transaction Tax
Supreme Court	Supreme Court of India
Takeover Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011
U.S. QIB	A qualified institutional buyer, as defined under Rule 144A under the U.S. Securities Act and which is also an Eligible QIB
U.S. GAAP	Generally accepted accounting principles in the United States of America
U.S. Securities Act	The U.S. Securities Act of 1933
VCF(s) or Venture capital funds	Venture capital funds as defined and registered with SEBI under the Securities and Exchange Board of India (Venture Capital Fund) Regulations, 1996

SUMMARY OF THE ISSUE

This summary should be read in conjunction with, and is qualified in its entirety by, the more detailed information appearing elsewhere in this Preliminary Offer Document, including in "***Risk Factors***", "***Use of Proceeds***", "***Placement***" and "***Issue Procedure***".

The following is a general summary of the terms of the Issue:

Issuer	Godrej Properties Limited
Issue Size	Up to 7,442,555 Equity Shares, with a right to Allot an additional up to 744,255 Equity Shares pursuant to exercise of the Over Allotment Option
Over Allotment Option	In case of over subscription in the Issue, the Company in consultation with the Book Running Lead Managers, can exercise the right to Allot an additional up to 744,255 Equity Shares on or prior to dispatch of CANs
Issue Price	The price at which the Equity Shares offered in the Issue will be Allotted to the successful Applicants in terms of the Basis of Allocation, Allotment Criteria and the CAN. Please see "***Issue Procedure***"
Eligible Investors	Eligible QIBs. Please note that foreign venture capital investors and multilateral and bilateral development financial institutions are not eligible to participate in this Issue. Please see "***Issue Procedure – Qualified Institutional Buyers***"
Class of Equity Shares	The Equity Shares offered in the Issue are securities of the Company of the same class and in all respects uniform with the Equity Shares listed and traded on the Stock Exchanges. For details, see "***Description of the Equity Shares***"
Equity Shares issued and outstanding immediately prior to the Issue	69,850,009 Equity Shares. For further details in relation to the stock options granted by the Company, see "***Board of Directors and Key Managerial Personnel***"
Equity Shares issued and outstanding immediately after the Issue	[●] Equity Shares. For further details in relation to the stock options granted by the Company, see "***Board of Directors and Key Managerial Personnel***"
Price Band	The Price Band, if any, as decided by the Company in consultation with the Book Running Lead Managers, which shall be announced at least one day prior to the Issue Opening Date
Floor Price	The Floor Price, as decided by the Company in consultation with the Book Running Lead Managers, which shall be announced at least one day prior to the Issue Opening Date
Cap Price	The higher end of the Price Band, if any, announced by the Company, above which the Issue Price will not be finalised and above which no ASBA Applications will be accepted
Listing	(i) Applications for in-principle approval, in terms of clause 24(a) of the Equity Listing Agreement, for listing and admission of the Equity Shares offered in the Issue and for trading on the Stock Exchanges, were made and approval has been received from each of the Stock Exchanges; and (ii) the application for the final listing and trading approval will be made after Allotment of the Equity Shares pursuant to the Issue

Lock-up	The Company has agreed that it will not, without the prior written consent of the Book Running Lead Managers, from the date of the Issue and Placement Agreement and for a period of up to 90 days from the date of Allotment, directly or indirectly: (a) issue, offer, lend, pledge, sell, contract to sell or issue, sell any option or contract to purchase, purchase any option or contract to sell or issue, grant any option, right or warrant to purchase, lend or otherwise transfer or dispose of, directly or indirectly, any Equity Shares, or any securities convertible into or exercisable or exchangeable for the Equity Shares or publicly announce an intention with respect to any of the foregoing; (b) enter into any swap or other agreement that transfers, directly or indirectly, in whole or in part, any of the economic consequences of ownership of Equity Shares or any securities convertible into or exercisable or exchangeable for Equity Shares; (c) deposit Equity Shares or any securities convertible into or exercisable or exchangeable for Equity Shares or which carry the right to subscribe for or purchase Equity Shares in depository receipt facilities or enter into any such transaction (including a transaction involving derivatives) having an economic effect similar to that of a sale or a deposit of Equity Shares in any depository receipt facility; or (d) announce any intention to enter into any transaction whether any such transaction described in (a), (b) or (c) above is to be settled by delivery of the Equity Shares, or such other securities, in cash or otherwise. The foregoing shall not apply to (i) any grant of options by the Company under the GPL ESOP or the GPL ESGS; or (ii) any issue or allotment of the Equity Shares by the Company pursuant to the exercise of any options awarded under the GPL ESGS. The Promoters have agreed that they will not, without the prior written consent of the Book Running Lead Managers, from the date of the Issue and Placement Agreement and for a period of up to 90 days from the date of Allotment (the "**Lock-up Period**"), directly or indirectly: (a) issue, offer, lend, sell, pledge, contract to sell or issue, sell any option or contract to purchase, purchase any option or contract to sell or issue, grant any option, right or warrant to purchase, lend or otherwise transfer or dispose of, directly or indirectly, any Equity Shares, or any securities convertible into or exercisable or exchangeable for the Equity Shares or publicly announce an intention with respect to any of the foregoing; (b) enter into any swap or other agreement that transfers, directly or indirectly, in whole or in part, any of the economic consequences of ownership of the Equity Shares or any securities convertible into or exercisable or exchangeable for the Equity Shares; (c) deposit Equity Shares or any securities convertible into or exercisable or exchangeable for Equity Shares or which carry the right to subscribe for or purchase Equity Shares in depository receipt facilities or enter into any transaction (including transaction involving derivatives) having an economic effect similar to that of a sale or a deposit of Shares in any depository receipt facility; or (d) announce any intention to enter into any transaction whether any such transaction described in (a), (b) or (c) above is to be settled by delivery of the Equity Shares, or such other securities, in cash or otherwise. The foregoing paragraph shall not apply to (a) any *inter-se* transfer of Equity Shares between the Promoters and the Promoter Group, provided that the lock-up shall continue for the remaining period with the transferee and such transferee shall not be eligible to transfer such Equity Shares till the Lock-up Period set out herein has expired; (b) transfer of Equity Shares to the independent trust administering the GPL ESOP; (c) bona fide pledge of lock-up Equity Shares, as collateral for loans as per the normal commercial terms entered into, in the ordinary course of business of the Company, where any arrangement for any such encumbrance as collateral is undertaken with the prior written approval of the Book Running Lead Managers; and (d) any sale, transfer or disposition of such Equity Shares by the Promoters to the extent such sale, transfer or disposition is required by applicable Indian law.
Transferability	The Equity Shares Allotted pursuant to the Issue shall not be sold for a period of one

Restrictions	year from the date of Allotment, except on the Stock Exchanges. Please see "***Transfer Restrictions***"
Closing	The Allotment of the Equity Shares offered pursuant to this Issue is expected to be made on or about [●], 2012
Use of Proceeds	Net proceeds of the Issue (after deduction of fees, commissions and expenses) are expected to total approximately ₹ [●] million. Please see "***Use of Proceeds***"
Risk Factors	Please see "***Risk Factors***" for a discussion of factors you should consider before deciding whether to subscribe for the Equity Shares offered in the Issue.
Ranking	The Equity Shares being issued pursuant to the Issue shall be subject to the provisions of the Memorandum and the Articles of Association and shall rank *pari passu* in all respects with the existing Equity Shares, including rights in respect of voting and dividends. The shareholders will be entitled to participate in dividends and other corporate benefits, if any, declared by the Company after the Allotment of the Equity Shares issued pursuant to the Issue, in compliance with the Companies Act, the Equity Listing Agreement and other applicable laws and regulations.
Security Codes for the Equity Shares	**ISIN:** INE484J01019 **BSE Code:** 533150 **NSE Code:** GODREJPROP

SELECTED FINANCIAL INFORMATION

*The following selected financial information is extracted from and should be read in conjunction with, the audited consolidated financial statements and notes thereto of the Company as of and for the fiscal years ended March 31, 2009, 2010 and 2011, and as of and for the nine months periods ended December 31, 2010 and December 31, 2011, each included elsewhere in this Preliminary Offer Document. You should refer to the section titled "**Management's Discussion and Analysis of Financial Condition and Results of Operation**", included elsewhere in this Preliminary Offer Document, for further discussion and analysis of the financial statements of the Company. The financial statements of the Company are prepared in accordance with Indian GAAP and have been audited or reviewed by M/s. Kalyaniwalla & Mistry, Chartered Accountants.*

The financial information included in this Preliminary Offer Document does not reflect the Company's results of operations, financial position and cash flows for the future and its past operating results are no guarantee of its future operating performance.

Consolidated Statement of Assets and Liabilities

Rs. in Millions

PARTICULARS	AS AT		AS AT MARCH 31,		
	31.12.2011	31.12.2010	2011	2010	2009
SOURCES OF FUNDS					
SHAREHOLDERS' FUNDS					
Share Capital	698.50	698.50	698.50	698.50	604.20
Reserves & Surplus	9,009.01	8,182.88	8,417.43	7,474.19	2,384.51
LOAN FUNDS					
Secured Loan	11,398.02	4,180.78	5,477.90	3,831.48	4,659.83
Unsecured Loan	8,603.56	4,524.18	3,970.70	3,264.33	1,903.59
MINORITY INTEREST	231.38	66.80	148.34	29.72	16.76
	29,940.47	**17,653.14**	**18,712.87**	**15,298.22**	**9,568.89**
APPLICATION OF FUNDS					
FIXED ASSETS					
Gross Block	577.07	396.69	560.04	339.59	398.38
Less : Accumulated Depreciation	126.34	89.24	99.23	63.47	38.91
Net Block	**450.73**	**307.45**	**460.81**	**276.12**	**359.47**
Capital Work in Progress / Advance	34.46	5.90	13.81	2.18	32.54
	485.19	**313.35**	**474.62**	**278.30**	**392.01**
INVESTMENTS	29.79	1,576.09	141.41	2,078.07	0.03
DEFERRED TAX ASSET	12.00	6.21	8.40	2.73	4.86
CURRENT ASSETS, LOANS AND ADVANCES					
Inventories	19,221.90	9,541.56	10,154.49	7,250.92	4,758.64
Sundry Debtors	4,192.53	970.26	2,899.50	1,797.97	1,385.52

PARTICULARS	AS AT		AS AT MARCH 31,		
	31.12.2011	31.12.2010	2011	2010	2009
Cash and Bank Balances	684.82	637.29	1,490.34	955.00	268.75
Loans & Advances	8,395.71	7,612.12	6,964.14	4,926.57	3,962.41
	32,494.96	**18,761.23**	**21,508.47**	**14,930.46**	**10,375.32**
LIABILITIES & PROVISIONS					
Current Liabilities	2,961.46	2,898.15	2,919.57	1,621.36	1,005.41
Provisions	120.10	105.66	500.56	370.01	197.97
	3,081.56	**3,003.81**	**3,420.13**	**1,991.37**	**1,203.38**
NET CURRENT ASSETS	**29,413.40**	**15,757.42**	**18,088.34**	**12,939.09**	**9,171.94**
MISCELLANEOUS EXPENDITURE					
(to the extent not written off or adjusted)					
Preliminary Expenditure	0.09	0.07	0.10	0.03	0.05
	29,940.47	**17,653.14**	**18,712.87**	**15,298.22**	**9,568.89**

Consolidated Statement of Profits and Losses

Rs. in Millions

PARTICULARS	FOR THE PERIOD		FOR THE YEAR ENDED MARCH 31,		
	01.04.2011 to 31.12.2011	01.04.2010 to 31.12.2010	2011	2010	2009
INCOME					
Sales	4,036.24	1,236.20	4,412.31	2,115.17	1,851.85
Operating Income	162.14	0.74	102.73	311.81	200.79
Other Income	266.80	1,016.83	1,074.06	1,476.86	490.20
Total Income	**4,465.18**	**2,253.77**	**5,589.10**	**3,903.84**	**2,542.84**
EXPENDITURE					
Cost of Sales	3,229.76	1,033.16	3,239.99	2,000.27	1,211.07
Employee Remuneration & Benefits	45.88	24.49	73.13	106.85	37.51
Administration Expenses	133.30	85.60	151.20	141.49	99.85
Interest & Finance Charges (Net)	43.39	9.56	34.00	5.54	93.57
Depreciation	27.82	27.99	39.73	25.99	11.48
Preliminary Expenses written off	0.01	0.01	0.02	0.01	0.01
Total Expenditure	**3,480.16**	**1,180.81**	**3,538.07**	**2,280.15**	**1,453.49**
PROFIT BEFORE TAX , MINORITY INTEREST AND EXTRAORDINARY ITEMS	985.02	1,072.96	2,051.03	1,623.69	1,089.35
PROFIT AFTER EXTRAORDINARY ITEMS BUT	985.02	1,072.96	2,051.03	1,623.69	1,089.35
BEFORE TAX AND MINORITY					

PARTICULARS	FOR THE PERIOD		FOR THE YEAR ENDED MARCH 31,		
	01.04.2011 to 31.12.2011	01.04.2010 to 31.12.2010	2011	2010	2009
INTEREST					
LESS: PROVISION					
For Current Tax	325.49	330.07	628.09	379.68	322.53
For Fringe Benefit Tax	-	-	-	-	1.65
For MAT Credit Entitlement	-	-	*	*	-
For Deferred Tax	(3.60)	(3.48)	(5.67)	2.13	(1.08)
NET PROFIT AFTER TAX BUT BEFORE MINORITY INTEREST	**663.13**	**746.37**	**1,428.61**	**1,241.88**	**766.25**
ADJUSTMENTS					
Prior Period Items.	1.08	-	-	-	-
Income Tax - Earlier Years	(1.69)	(1.01)	(1.83)	(2.14)	(10.10)
NET PROFIT BEFORE MINORITY INTEREST	**662.52**	**745.36**	**1,426.78**	**1,239.74**	**756.15**
Minority Interest	(81.27)	(36.67)	(118.22)	(11.62)	(9.34)
NET PROFIT AFTER TAX AND MINORITY INTEREST	**581.25**	**708.69**	**1,308.56**	**1,228.12**	**746.81**
Surplus Brought Forward	2,339.86	1,538.01	1,538.01	757.70	262.61
Adjustment of opening profit/loss of subsidiaries	(0.52)	-	-	-	-
AMOUNT AVAILABLE FOR APPROPRIATION	**2,920.59**	**2,246.70**	**2,846.57**	**1,985.82**	**1,009.42**
Less:					
Proposed Dividend	-	-	314.33	279.40	151.05
Dividend Distribution Tax	-	-	50.99	46.41	25.67
Transfer to General Reserve	-	-	141.39	122.00	75.00
	-	**-**	**506.71**	**447.81**	**251.72**
SURPLUS CARRIED FORWARD TO BALANCE	**2,920.59**	**2,246.70**	**2,339.86**	**1,538.01**	**757.70**
SHEET					
Basic Earnings per share in Rs.	8.32	10.15	18.73	19.50	12.36
Diluted Earnings per share in Rs.	8.32	10.15	18.73	19.50	12.36

* Represents amount less than Rs. 5,000/-

Consolidated Statement of Cash Flows

Rs. in Millions

PARTICULARS	FOR THE PERIOD		FOR THE YEAR ENDED MARCH 31,		
	01.04.2011 to 31.12.2011	01.04.2010 to 31.12.2010	2011	2010	2009
CASH FLOW FROM OPERATING ACTIVITIES					
Net Profit Before Tax, Minority Interest and Extraordinary	**985.01**	**1,072.96**	**2,051.03**	**1,623.69**	**1,089.35**
Items					
Adjustments for:					
Depreciation	27.82	27.99	39.73	25.99	11.48
(Profit)/ loss on disposal of fixed assets	-	0.07	0.42	(0.01)	0.04
Profit/ loss on sale of investments	(182.76)	(898.61)	(898.61)	(1,398.55)	(419.90)
Preliminary expenses written off	0.01	0.01	0.02	0.01	0.01
Interest Charges	43.39	9.56	34.00	5.54	93.57
Interest Income	(72.50)	(48.75)	(80.39)	(50.43)	(69.09)
Dividend Income	(9.34)	(67.77)	(87.12)	(24.42)	(0.01)
ESGS Compensation	10.85	-	-	-	-
Provision for Diminution in value of Investment / (Written Back)	-	-	-	*	-
Operating Profit before working capital changes	802.48	95.46	1,059.08	181.82	705.45
Adjustments for:					
Changes in Sundry Debtors	(1,293.03)	827.71	(1,101.53)	(412.45)	(645.99)
Changes in Loans & Advances	(1,446.62)	(2,687.12)	(2,014.08)	(952.09)	(1,086.40)
Changes in Inventories	(9,067.41)	(2,290.64)	(2,903.58)	(2,492.28)	(1,910.72)
Changes in Current Liabilities & Provisions	43.52	1,280.24	1,304.58	617.30	(350.10)
CASH GENERATED FROM OPERATIONS	(10,961.06)	(2,774.35)	(3,655.53)	(3,057.70)	(3,287.76)
Direct Taxes paid	(345.83)	(274.70)	(547.19)	(366.15)	(429.29)
NET CASH FLOW FROM OPERATING ACTIVITIES	**(11,306.89)**	**(3,049.05)**	**(4,202.72)**	**(3,423.85)**	**(3,717.05)**
CASH FLOW FROM INVESTING ACTIVITIES					
Proceeds from disposal of Fixed Assets	0.24	1.08	1.17	1.58	22.63
Purchase of Fixed Assets	(38.62)	(64.20)	(237.64)	(70.04)	(53.67)
Proceeds from Sale of Investments	1,080.06	2,443.17	3,895.60	2,456.62	420.06
Purchase of Investments	(785.45)	(1,042.18)	(1,059.93)	(2,978.56)	-
Investments in Partnership Firm	1.00	-	-	-	-
Interest Received	88.63	50.33	56.90	38.37	46.65
Dividend Received	9.34	67.77	87.12	24.42	0.01
Preliminary Expenses Incurred	-	(0.06)	(0.09)	-	(0.02)

PARTICULARS	FOR THE PERIOD		FOR THE YEAR ENDED MARCH 31,		
	01.04.2011 to 31.12.2011	01.04.2010 to 31.12.2010	2011	2010	2009
NET CASH FLOW FROM INVESTING ACTIVITIES	**355.20**	**1,455.91**	**2,743.13**	**(527.61)**	**435.66**
CASH FLOW FROM FINANCING ACTIVITIES					
Proceeds from issue of equity shares	-	-	-	4,285.65	-
Proceeds from issue of equity shares to minority	-	0.02	0.02	-	0.17
Proceeds from / (Repayment of) Secured Term Loan	6,912.40	(971.50)	(1,257.80)	(146.10)	2,477.30
Change in Secured Working Capital Loan	(992.28)	1,320.80	2,904.22	(682.25)	981.17
Proceeds from / (Repayment of) Unsecured Term Loan	3,500.00	1,100.00	100.00	800.00	250.00
Change in Unsecured Working Capital Loan	(590.78)	84.74	515.29	(168.20)	122.84
Proceeds from / (Repayment of) Fixed Deposits	1,038.46	75.11	91.07	748.94	(19.10)
Proceeds from / (Repayment of) Loan from Companies	667.00	-	-	(20.00)	20.00
Proceeds/repayment from other borrowings	18.19	-	-	-	-
Interest paid	(41.50)	(7.93)	(32.06)	(3.61)	(80.59)
Dividend paid (including Tax)	(365.32)	(325.81)	(325.81)	(176.72)	(287.95)
NET CASH FLOW FROM FINANCING ACTIVITIES	**10,146.17**	**1,275.43**	**1,994.93**	**4,637.71**	**3,463.84**
Net Increase/ (Decrease) in Cash and Cash Equivalents	**(805.52)**	**(317.71)**	**535.34**	**686.25**	**182.45**
Opening Cash and Cash Equivalents	**1,490.34**	**955.00**	**955.00**	**268.75**	**86.30**
Closing Cash and Cash Equivalents	**684.82**	**637.29**	**1,490.34**	**955.00**	**268.75**

* Represents amount less than Rs. 5,000/-

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

RISK FACTORS

An investment in our Equity Shares involves a high degree of risk. You should carefully consider all the information in this Preliminary Offer Document, including the risks and uncertainties described below, before making an investment in our Equity Shares. To obtain a complete understanding, you should read this section in conjunction with the sections "Our Business" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" as well as the other financial and statistical information contained in this Preliminary Offer Document. The risks and uncertainties described in this section are not the only risks and uncertainties we currently face. Additional risks and uncertainties not known to us or that we currently deem immaterial may also have an adverse effect on our business, financial condition and results of operations. If any of the following risks, or other risks that are not currently known or are now deemed immaterial, actually occur, our business, results of operations and financial condition could suffer, the price of our Equity Shares could decline, and you may lose all or part of your investment.

Unless otherwise stated, the financial information used in this section is derived from our audited consolidated financial statements prepared under Indian GAAP. See "Financial Statements".

Internal Risks

We enter into arrangements with various third parties to acquire land or development rights, which entail certain risks.

We typically enter into joint development agreements, MoUs, limited liability partnerships and development agreements, as the case may be, with third parties prior to the development of the particular parcel of land. Some of these third parties acquire land from power of attorney holders, who are authorised to transfer land on behalf of the owners of such land. We cannot assure you that such power of attorney that has been granted is valid or entitles such power of attorney holder to exercise the right to transfer or grant development rights over such land.

Certain parties granting us development rights may not have acquired ownership rights or clear title in respect of land that we have categorised as part of our Land Reserves. Parties granting us development rights may also have litigation, bankruptcy or such other proceedings pending with respect to such land. For example, the agreement we have entered into with respect to our Forthcoming Project, Godrej Kochi – I, Kochi, provides that such agreement is subject to the Board for Industrial and Financial Reconstruction ("**BIFR**") granting our joint development partner permission for entering into the development agreement with us, and the satisfaction of all claims of our joint development partner's secured creditors over such land. The BIFR granted our joint development partner permission to enter into the agreement to develop the land, however this order was challenged by shareholders of the joint development partner before the Appellate Authority for Industrial and Financial Reconstruction ("**AAIFR**") and these matters are currently pending before the AAIFR, the High Court of Kerala and the High Court of Delhi. See "Legal Proceedings" for further details. We cannot assure you that these matters will be decided in our favour or that all the claims of our joint development partner's secured creditors will be adequately satisfied. Until ownership rights or clear title has been obtained, litigation is settled, such conditions have been complied with or a judgment has been obtained by a court of competent jurisdiction, we may be unable to utilise such land according to the terms of such agreements, which could adversely affect our business, financial condition and results of operations. Additionally, under certain of our development agreements, our development partners are required to aggregate large parcels of land for us to commence developing the project. If these development partners face any difficulties in obtaining or fail to obtain the requisite amount of land, the schedule of development of that project could be substantially disrupted.

Most of our development agreements confer rights on us to construct, develop, market and eventually sell the Saleable Area to third party buyers. Such agreements do not convey any interest in the immovable property to us and only the development right is transferred to us. Investments through development agreements involve risks, including the possibility that our development partners may fail to meet their obligations under the development agreement, causing the whole project to suffer. We cannot assure you that projects that involve collaboration with third parties will be completed as scheduled, or at all, or that our ventures with these parties will be successful. Our development agreements may permit us only partial control over the operations of the development under certain circumstances. Where we do not hold the entire interest in a development, it may be necessary for us to obtain consent from a development partner before we can cause the development partner to make or implement a particular business development decision or to distribute profits to us. These and other factors may cause our development partners to act in a way that is contrary to our interests, or otherwise be unwilling to fulfil their obligations under our development arrangements. Disputes that may arise between us and our development partners may cause delay in completion, suspension or complete abandonment of a project, which may adversely affect our business, financial condition and results of operations. Additionally, as a result of our joint development agreement model, we are typically entitled to a share in the developed property or a share of the revenues or profits generated from the sale of the developed property, or a combination of the above entitlements after adjusting the advance amount paid earlier, if any. Additionally, determining the Developable Area and Saleable Area of a particular project are subject to municipal planning and land use regulations in effect in the regions in which we operate. These regulations limit the maximum square footage of completed buildings on plots to specified amounts, calculated based on a ratio of maximum floor space of completed buildings to the surface area of each plot of land.

Under certain of our joint development agreements, we are required to provide the owners of the land with an advance, which is typically non-interest bearing and is expected to be refunded upon the completion of the project or credited against payments made to the owners of land and may also be required to provide an additional lump sum consideration and/or minimum guarantee. Sometimes, these advances are made even before any requisite approvals are obtained and/or may be made interest free. In such instances, the joint development partner undertakes to obtain such approvals and we may not be able to commence the development of the project until such approval or permission is obtained by the joint development partner. In the event of any delay in the completion of the development within the time frame specified, we are required to indemnify the other parties to the development agreements and pay certain penalties or liquidated damages that are capped as specified in these agreements, which may adversely affect our business, financial condition and results of operations. In certain of our projects, in the event that we fail to pay such liquidated damages within the specified period of such claim to pay these liquidated damages, our joint development partner is entitled to take over our obligations under the joint development agreement and we would be required to vacate the property and forgo such revenue or profit or area sharing arrangement with respect to that project as may have been agreed to. If we are required to pay penalties or liquidated damages pursuant to such agreements, and we decline to do so, we may not be able to recover the deposits made by us to the owners of the land. In addition, if for any reason, the development agreement is terminated or the development is delayed or cancelled, we may not be able to recover such deposits, which could have an adverse effect on our business, financial condition and results of operations.

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

We are dependent upon third party entities for the construction and development of our projects, which entails certain risks.

We enter into agreements with third party entities to design, construct and sell our projects in accordance with our specifications and quality standards and under the time frames provided by us. We require the services of other third parties, including architects, engineers, contractors and other suppliers of labour and materials. The timing and quality of construction of the projects we develop depends on the availability and skill of these third parties, as well as contingencies affecting them, including equipment, labour and raw material shortages and industrial actions such as strikes and lockouts. We may only have limited control over the timing or quality of services and sophisticated machinery or supplies provided by such third parties. If such contractors are unable to perform their contracts, including completing our developments within the specifications, quality standards and time frames specified by us, at the estimated cost, or at all, our business, reputation and results of operations could be adversely affected.

For example, in certain of our developments, we commit to complete the developments within specified time frames, failing which, we are required to pay liquidated damages to our customers at specified rates for the delay. In addition, we generally provide warranties for a period of up to three years from the completion of construction for construction defects and may be held liable for such defects that occur, if any. Even though our contractors provide us with back-to-back warranties, such warranties may not be sufficient to cover our losses, or our contractors could claim defences not available to us against our customers, which could adversely affect our financial condition and results of operations. Further, we cannot assure you that the services rendered by any of our independent construction contractors will always be satisfactory or match our requirements for quality. While we provide for penalties against our third party contractors for delays in handing over the project, we cannot assure you that these contractors will pay us those penalties in time, or at all, and we may be obligated to incur the cost of delays of the project, which could adversely affect our business, reputation, financial condition and results of operations. Further, delays and cost overruns may occur for reasons not involving the fault of our contractors and for which they therefore do not bear any responsibility to us. For example, our failure to obtain certain regulatory approvals delayed the launches of projects in Chennai, Hyderabad and Ahmedabad and the completion of Godrej Garden City, Ahmedabad was delayed as a result of the failure of third parties to vacate the project site.

We may not be able to identify appropriately experienced third parties and cannot assure you that skilled third parties will continue to be available at reasonable rates and in the areas in which we undertake our projects, or at all. We will require a greater supply of such services as we grow our business and expand into new cities. 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 business, reputation, financial condition and results of operations. If the services of these or other contractors do not continue to be available on terms acceptable to us or at all, our business and results of operations could be adversely affected.

Increase in prices of, shortages of, or delays or disruptions in the supply of building materials or labour could adversely affect our business, financial condition and results of operations.

We generally incur all of the construction costs with respect to our projects. We procure building materials for our projects, such as steel, cement, flooring products, hardware, bitumen, sand and aggregates, doors and windows, bathroom fixtures and other interior fittings from third party suppliers. The prices and supply of such building materials depend on factors not under our control, including general economic conditions, competition, production levels, transportation costs and import duties. Our ability to develop and construct projects profitably is dependent upon our ability to source adequate building supplies for use by our construction contractors. During periods of shortages in building materials, especially cement and steel, we may not be able to complete projects according to our construction schedules, at our estimated cost, or at all, which could adversely affect our results of operations and financial condition. In addition, during periods where the prices of building materials significantly increase, we may not be able to pass these price increases on to our customers, which could reduce or eliminate the profits we intend to attain with regard to our projects. For example, we believe our Godrej One project at The Trees, Mumbai may be impacted by such cost escalation that could affect our profitability. Prices of certain building materials, such as cement and steel, in particular are susceptible to rapid increases.

Additionally, our supply chain for these building supplies may be periodically interrupted by circumstances beyond our control, including shortages of skilled labour, work stoppages, transport strikes and labour disputes affecting our suppliers, their distributors, or the transporters of our supplies, including poor quality roads and other transportation related infrastructure problems, inclement weather, and road accidents. If any of these risks occur, our financial condition and results of operations could be adversely affected.

We also require adequate supply of labour for the timely execution of our projects. Our supply of labour may be adversely affected by, among other things, work stoppages and labour disputes. Such events may also increase the price of labour that we can source for our projects. The occurrence of any of these events could adversely affect our business, financial condition and results of operations.

We may not be able to add to or replenish our Land Reserves by acquiring suitable sites or entering into development agreements for suitable sites in locations with growth potential and at reasonable cost, which may adversely affect our business and prospects.

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

Certain of our projects are being built on large contiguous parcels of land. For example, our Bhugaon Township project in Pune has an estimated Developable Area of approximately 11.8 million sq. ft. and the counterparty to the MoU we entered into in order to develop the project, along with certain other individuals, are in the process of aggregating certain land parcels. We cannot assure you that we or our joint development partners will be able to continue to acquire ownership of or development rights over large contiguous parcels of land on terms that are acceptable, or at all. This may prohibit us from developing additional large projects or may cause delays or force us to modify the development of the land at a particular location, which in turn may result in failure to maximise our return or even realise our investments from such parcels of land. Accordingly, our inability to acquire ownership of or development rights over contiguous parcels of land may adversely affect our business and prospects.

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

Our ability to identify suitable parcels of land for development and subsequent sale forms an integral part of our business. Our ability to identify land in the right location is critical for a project. Our decision to acquire land or development rights over appropriate land involves taking into account the size and location of the land, tastes of potential residential customers, requirements of potential commercial clients, economic potential of the region, the proximity of the land to civic amenities and urban infrastructure and the availability and competence of third parties such as architects, surveyors, engineers and contractors. Any failure to identify and acquire suitable parcels of land for development in a timely manner may reduce the number of development projects that can be undertaken by us and thereby adversely affect our business, prospects, financial condition and results of operations. In addition, if demand for a project does not meet our expectations, we may alter certain aspects of the project, provided we receive the requisite approvals, or abandon development of the project, which would adversely affect our business and prospects.

Repayment of loans from the net proceeds of the Issue is subject to terms and conditions imposed by our lenders. Further, we have not entered into any definitive agreements with respect to the intended use of net proceeds of the Issue.

We intend to utilise the net proceeds of the Issue primarily towards prepayment and repayment of some of the existing loans of the Company and its Subsidiaries, however, we cannot assure you that such lenders will consent to or will not impose penalties or other charges for repayment or prepayment or that the terms and conditions imposed by lenders will be acceptable to us. Further, such repayment or prepayment of loans will be subject to receipt of consents from our lenders.

We also intend to utilise net proceeds of the Issue for acquisition of land development rights. However, we have not entered into any definitive agreements for such purposes.

The use of the net proceeds of the Issue are based on our own estimates, current conditions and are subject to changes in external circumstances or costs, or in other financial condition, business or strategy. 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 resulting in change in the use of the net proceeds of the Issue.

A significant portion of our Land Reserves are located in Ahmedabad and as a result our business, financial condition and results of operations are significantly dependent on the performance of, and the conditions affecting the real estate market in Ahmedabad.

As of December 31, 2011, approximately 31.6% and 33.1% of our estimated Developable Area and Saleable Area, respectively, were located in Ahmedabad. Additionally, for the nine months ended December 31, 2011 approximately 40.6% of our total income was generated from our project located in Ahmedabad. In the event of a slowdown in construction activity in Ahmedabad, or any circumstances that make projects in Ahmedabad less economically beneficial, our financial condition and results of operations may be adversely affected. We cannot assure you that the demand for our projects in Ahmedabad will grow, or will not decrease, in the future. Consequently, our business, financial condition and results of operations are in significant part dependent on the performance of, and the prevailing conditions affecting, the real estate market in Ahmedabad. The real estate market in Ahmedabad may be affected by various factors outside our control, including local economic and demographic conditions, availability of financing to potential customers, changes in governmental policies relating to zoning and land use and the availability of comparable real estate in competing markets.

If we are unable to continue to benefit from our relationship with our Promoters and the Godrej group and the "Godrej" brand, our business, financial condition and results of operations may be adversely affected.

We benefit from our relationship with our Promoters and the Godrej group in many ways, such as their reputation, experience and knowledge of the real estate and property development industry. We believe that our customers, vendors and members of the financial community perceive the "Godrej" brand to be that of a trusted provider of quality products and services. Our growth and future success is influenced, in part, by our continued relationship with our Promoters and the Godrej group. We cannot assure you that we will be able to continue to take advantage of the benefits from these relationships in the future. If we cease to benefit from these relationships for any reason, our business and growth prospects may decline and our business, financial condition and results of operations may be adversely affected.

In addition, we have entered into memoranda of understanding with Godrej & Boyce and Godrej Agrovet Limited, including for developing land owned by them in various regions across India. This land does not form a part of our Land Reserves and the memoranda of understanding do not constitute definitive agreements for the development of this land. We cannot assure you that we will be able to enter into definitive agreements with these companies we have entered into memoranda of understanding with on terms acceptable to us, or at all. Arrangements made under such memoranda of understanding may be adversely affected in the event that any of these entities cease to be a part of the Godrej group. We have also entered into an agreement with one of our Promoters, Godrej & Boyce, to act as the development manager for some of its lands and have entered into limited liability partnership agreements with Godrej & Boyce and Godrej Industries for the joint development of certain real estate projects. In addition, we also exploit group company synergies by cross-selling with companies such as Godrej Appliances Limited.

The brand and trademark "Godrej" and the associated logo is assigned by Godrej & Boyce to Godrej Industries. By an agreement dated May 27, 2008, Godrej Industries granted our Company the non-exclusive right to use the trademark and logo in our ordinary course of business upon a payment of royalty of 0.5% of the consolidated sales and operating income of our Company per annum. We cannot assure you that the established "Godrej" brand name will not be adversely affected in the future by events such as actions that are beyond our control, including customer complaints or adverse publicity from any other source. Any damage to this brand name, if not immediately and sufficiently remedied, could have an adverse effect on our financial condition and results of operations. We cannot assure you that we will continue to have the uninterrupted use and enjoyment of the trademark or logo in the event that we are unable to renew the license agreement. In addition, we have not obtained trademark registration of our name and corporate logo. We may not be able to prevent infringement of our trademark and a passing off action may not provide sufficient protection. Additionally, we may be required to litigate to protect our brands, which may adversely affect our business. Loss of the rights to use the trademark and the logo may adversely affect our business, financial condition and results of operations.

While we believe that all of the above transactions and other transactions with related parties are made on an arm's length basis on no less favourable terms than if such transactions were carried out with unaffiliated third parties. These transactions in the present and future may potentially involve a conflict of interest which may adversely affect our business or harm our reputation. For further details on related party transactions, see "Financial Statements."

We will continue to be controlled by our Promoters and certain Promoter Group entities after the completion of the Issue.

After the completion of the Issue, our Promoters along with certain of our Promoter Group members will hold, directly or indirectly, approximately 75.0% of our outstanding Equity Shares. As a result, our Promoters will continue to exercise significant control over us, including being able to control the composition of our Board and determine matters requiring shareholder approval or approval of our Board. Our Promoters may take or block actions with respect to our business, which may conflict with our interests or the interests of our minority shareholders. By exercising their control, our Promoters could delay, defer or cause a change of our control or a change in our capital structure, delay, defer or cause a merger, consolidation, takeover or other business combination involving us, discourage or encourage a potential acquirer from making a tender offer or otherwise attempting to obtain control of us.

Our joint development agreements, shareholders agreements with certain long-term investors with respect to certain project-specific companies and limited liability partnership arrangements contain certain conditions which may adversely affect our business, financial condition and results of operations.

As of December 31, 2011, we had entered into shareholders agreements pursuant to equity contributions by certain long-term investors (the "**Investors**") in eight project-specific companies incorporated for the development of some of our projects. Certain business decisions and some of the operations of the project-specific companies involved with these projects will require the prior consent of the relevant Investor, such as in the case of, among other things, acquiring land, changing certain aspects of the project, commencing new business operations, incurring indebtedness beyond certain levels or restrictions on the amount of interest payable to our Company. We cannot assure you that such Investors or their board nominees in the relevant project-specific companies will vote in favour of our interests and the project-specific companies may be prevented from implementing decisions which could be beneficial to our business, financial condition and results of operations. In addition, there could be delays in making such business decisions which could adversely affect our business, financial condition and results of operations. Some of these agreements also contain certain rights for the Investors where our Company will be required to repay the Investors their funding amounts for a project, such as in the case of a project not being completed within a certain period of time, our failure to construct a project of sufficient saleable area or the occurrence of a work stoppage lasting longer than one year.

Further, under certain agreements, the Investor has the right to sell their shares and on the exercise of such right, we have the obligation to buy all of the Investor's shares, under certain conditions. If we acquire such shares, we will face greater financial risk and capital expenditure with regard to the relevant project(s), which may have an adverse effect on our business, financial condition and results of operations. One of our agreements also requires us, in the event we do not purchase the Investor's shares within the required period of time, to transfer all of the Investor's shares to a third party or to conduct an asset sale of all of the entitlements of the relevant project-specific company apart from 35.0% of the Saleable Area of the relevant project, which is the Investor's entitlement in the project. Certain agreements also provide our Investors with a "drag along" right, where we will be required to sell our entire holding in the project-specific company to a third party that the Investor wishes to sell their holding to. If we are required to transfer the Investor's shares or sell the assets of the project-specific company or transfer our own share in such project-specific companies pursuant to a "drag along", our business, financial condition and results of operations may be adversely affected. Additionally, we may require the approval of our joint development partners for the selling price of the units being sold in a project. For instance, one of our agreements with our joint development partners provides a right of first refusal to our development partner in the event that we offer a block of flats in our area of entitlement for sale. In the event that the development partner does not purchase the apartment, we are restricted from selling such apartment at a price that is less than 5.0% of the price offered by the development partner. Further, under some of these agreements, there are restrictions on payment of dividend by the project-specific companies.

We have also entered into limited liability partnership agreements with our Promoters and certain other parties for the joint development of real estate projects in Vikhroli, Thane, Hyderabad and Pune. Under the terms of these agreements, we are required to contribute a certain amount as initial capital contributions to the partnership and we are entitled to a percentage of the profits that is generated by the partnership. Additionally, we are required to assist the limited liability partnership in obtaining financing for the construction and development of the project and may also be responsible for additional capital contributions, as and when the need arises. Further, we are required to obtain the consent of our partners before transferring our ownership interests, transfer or purchase of assets above certain thresholds and making material changes to the businesses. In addition, the limited liability partnership agreements stipulate that we will be responsible for bearing all losses sustained by the partnership and in the event we are unable to bear all of such losses, and as a result, our partners are required to bear these losses, we will indemnify and hold harmless such partner from and against all losses that it may be required to bear. We are also required to indemnify our partners for any losses that may arise as a result of our private debts. If we are required to bear losses under these limited liability partnership agreements, our financial condition and results of operations may be adversely affected.

For details on the limited liability partnership agreements with our Promoters, see "***Our Business – Memoranda of Understanding, Limited Liability Partnership Agreements and Development Agreement with Godrej group Companies***".

We face uncertainty of title to our lands, which entails certain risks.

There is difficulty in obtaining title guarantees in India as title records provide only for presumptive rather than guaranteed title. The original title to lands may often be fragmented, and land may have multiple owners. Certain lands may have irregularities of title, such as non-execution or non-registration of conveyance deeds and inadequate stamping and may be subject to encumbrances and litigation of which we may not be aware. Additionally, some of our projects are executed through development agreements in collaboration with third parties where such third parties own such land. Though we obtain title certificates and title opinions prior to executing a definitive agreement with respect to the project, we cannot assure you that the persons with whom we enter into development agreements have clear title to such lands. Further, the method of documentation of land records in India has not been fully computerised and are updated manually. This could result in investigations of property records being time consuming and possibly inaccurate.

While we conduct due diligence and assessment exercises prior to acquiring land or entering into development agreements with land owners and undertaking a project, we may not be able to assess or identify all risks and liabilities associated with the land, such as non-conversion or improper conversion for the proposed land use faulty or disputed title, unregistered encumbrances or adverse possession rights, improperly executed, unregistered or insufficiently stamped conveyance instruments in the property's chain of title, ownership claims of family members of prior owners, or other defects that we may not be aware of. As a result, some of our Land Reserves and future land may not have marketable title which has been independently verified. As each transfer in a chain of title may be subject to these and other defects, our title and development rights over land may be subject to various defects of which we are not aware.

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

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

Legal disputes in respect of land title can take several years and considerable expense to resolve if they become the subject of court proceedings and their outcome can be uncertain. Under Indian law, a title document is generally not effective, nor may be admitted as evidence in court, unless it has been registered with the applicable land registry and applicable stamp duty has been paid in respect of such title document. The failure of prior landowners to comply with such requirements may result in our failing to have acquired valid title or development rights with respect to that land. If we or the owners of the land which is the subject of our development agreements are unable to resolve such disputes with these claimants, we may lose our interest in the land, being our right to own or develop the land, and we may have to make payments to these claimants as compensation. Further, such litigation could delay the project and adversely affect our business and financial condition. The failure to obtain good title to a particular plot of land and the abandoning of the property as a result may adversely affect 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.

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

The sale agreements into which we enter with our residential and commercial customers contain penalty clauses wherein we are liable to pay a penalty for any delay in the completion and hand over of the units to the customers. In terms of the residential and commercial agreements, the penalty payable by us varies between 9.0% to 18.0% per annum. Accordingly, in large residential projects, the aggregate of all penalties in the event of delays may adversely affect the overall profitability of the project and therefore adversely affect our results of operations.

Our indebtedness and the restrictive covenants imposed upon us in certain debt facilities could restrict our ability to conduct our business and grow our operations, which would adversely affect our financial condition and results of operations.

As of December 31, 2011, the principal amount of our outstanding loans was ₹ 20,001.58 million. There are certain restrictive covenants in the arrangements we have entered into with the banks. Under the terms of certain of our Company's debt agreements, our Company is required to send an intimation to its lenders for creating, assuming or incurring any additional long-term indebtedness. Further, certain of our project-specific companies are required to obtain prior consent of the lenders for creating or incurring any additional indebtedness or to amend their respective memoranda and / or articles of association or to dilute our Company's shareholding in these project-specific companies below certain levels. Additional restrictive covenants require us, among other things, to ensure that the loan is utilised only for the end-use as specified in the agreement, to maintain in favour of the bank a margin between the value of mortgaged property and the balance due to the bank, as the bank may stipulate from time to time, and to keep the mortgaged properties insured for full market value against certain risks. Furthermore, some of our arrangements with the lending banks permit the bank to withdraw or recall their loans or debit the installments or interest payable from any of our accounts maintained with the bank, at the bank's absolute discretion, without any prior notice to us and the bank may impose overdue interest at the specified rates in the event of any default or may vary the interest rates, without giving prior notice to us. Further, any prepayment of our loans may require us to receive consents from some of our lenders, which may be subject to payment of prepayment or other charges, as applicable. We also require prior consent of certain of our lenders for effecting any change in our ownership, control and management. Further, the loan agreements provide that we cannot create any further charges or encumbrances over mortgaged property and that we may not part with hypothecated property or any part thereof without the prior written consent of the lender. Further, under some of our agreements, our Company and our project-specific companies are restricted from paying dividends or commissions to our Promoters on repayment of their contributions in certain cases, which could adversely affect our financial condition and results of operations.

One of our financing agreements requires our Company to appoint our lender as our Company's lawful attorney to undertake several actions including taking over and carrying out our business and winding up our business, if required. Such appointment remains valid until any amounts remain outstanding under the facility

We may not be able to obtain additional funding at terms favorable to us, or at all. Further, any additional financing that we require to fund our project expenditures, if met by way of additional debt financing, may place restrictions on us which may, among other things, increase our vulnerability to general adverse economic and industry conditions, limit our ability to pursue our growth plans, require us to dedicate a substantial portion of our cash flow from operations to make payments on our debt, thereby reducing the availability of our cash flow to fund project expenditures, meet working capital requirements and use for other general corporate purposes, and limit our flexibility in planning for, or reacting to changes in our business and our industry, either through the imposition of restrictive financial or operational covenants or otherwise, which would adversely affect our financial condition and results of operations.

We are involved in certain legal proceedings. Any adverse development in these cases could have an adverse effect on our business, financial condition and results of operations.

There are outstanding legal proceedings against us that are incidental to our business and operations, including certain criminal proceedings against our Company and certain of our Directors and executives. These proceedings are pending at different levels of adjudication before various courts, tribunals, enquiry officers and appellate tribunals. Such proceedings could divert management time and attention, and consume financial resources in their defense or prosecution. Further, an adverse judgment in any of these proceedings could have an adverse impact on our business, financial condition and results of operations. For details, see "Legal Proceedings".

If we fail to anticipate and respond to customer requirements, our business and prospects could be adversely affected.

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

The growth of the Indian economy has also led to changes in the way businesses operate in India, resulting in a substantial change in the nature of commercial customers' demands. The growth and success of our commercial business depends on the provision of high quality office space to attract and retain customers who are willing and able to pay rent or purchase price at suitable levels, and on our ability to anticipate the future needs and expansion plans of these customers. Therefore, our ability to anticipate and understand the demands of the prospective customers is critical to the success of our commercial real estate development business. If we fail to anticipate and respond to commercial customer requirements, we could lose current or potential customers to competitors, which in turn could adversely affect our business and prospects.

If the redevelopment or planning and land use regulations in and around Mumbai change, our financial condition and results of operations could be adversely affected.

As part of our development strategy, we intend to undertake various redevelopment projects and have incorporated a wholly-owned subsidiary and established a dedicated internal team that is focused on undertaking redevelopment projects in Mumbai. As part of our redevelopment efforts, we have entered into an agreement with Kamla Landmarc Property Leasing and Finance Private Limited to undertake a redevelopment project in Sahakar Nagar, Mumbai.

Our ability to pursue such redevelopment projects is contingent on the current tenants providing us with peaceful possession of the property. These projects require, among other things, obtaining consent from a majority of the tenants and consensus between various groups of tenants. Any delay in the construction or prolonged construction period will lead to increased costs and will adversely affect our profitability.

Our ability to obtain suitable sites for our redevelopment projects in and around Mumbai or other cities in the future, and our cost to acquire land development rights over such sites, could be adversely affected by any changes to the applicable regulations. If the current regulations governing redevelopment projects or regulations governing planning and land use in and around Mumbai were to significantly change or be terminated, it may have an adverse effect on our business.

The real estate industry in India is intensely competitive and our inability to compete effectively may adversely affect our business, financial condition and results of operations.

We operate in an intensely competitive and highly fragmented industry with low entry barriers. We face significant competition in our business from a large number of Indian real estate development companies who also operate in the same regional markets as us. Our key competitors include real estate developers such as Oberoi Realty Limited and Mahindra Lifespace Developers Limited. The extent of the competition we face in a potential property market depends on a number of factors, such as the size and type of property development, contract value and potential margins, the complexity and location of the property development, facilities and supporting infrastructure services, the reputation of our competitors, and the risks relating to revenue generation.

Given the fragmented nature of the real estate development industry, we often do not have adequate information about the property developments our competitors are developing and accordingly, we run the risk of underestimating supply in the market. Our business plan is to expand across high growth markets in prominent and growing cities in India and as we seek to diversify our regional focus, we face the risk that some of our competitors, who are also engaged in real estate development, may be better known in other markets, enjoy better relationships with land-owners and international or domestic joint venture partners, may gain early access to information regarding attractive parcels of land and be better placed to acquire such land. Further, our competitors may commence operations in the vicinity of our Ongoing Projects and Forthcoming Projects and may offer their products at competitive prices, resulting in a decreasing of sales of our projects.

Some of our competitors are larger than us and have greater land reserves or financial resources or a more experienced management team. They may also benefit from greater economies of scale and operating efficiencies and may have greater experience in regional markets, especially in relation to local laws and regulations. Competitors may, whether through consolidation or growth, present more credible integrated or lower cost solutions than we do, causing us to win fewer tenders. We cannot assure you 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.

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

We are embarking on a growth strategy which involves a substantial expansion of our current business. Such a growth strategy will place significant demands on our management as well as our financial, accounting and operating systems. Even if we have successfully executed our business strategies in the past, we cannot assure you 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. Our failure to execute our growth strategy may result in our inability to maintain prior rates of growth.

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

Each of the elements of new project initiatives that we develop to grow our business carries significant risks, as well as the possibility of unexpected consequences, including:

- acceptance by and sales of the new project initiatives to our customers may not be as high as we anticipate;
- our marketing strategies for the new projects may be less effective than planned and may fail to effectively reach the targeted consumer base or engender the desired consumption;

- we may incur costs exceeding our expectations as a result of the continued development and launch of the new projects;
- we may experience a decrease in sales of certain of our existing projects as a result of the introduction of new projects nearby; and
- any delays or other difficulties impacting our ability, or the ability of our third party contractors and developers, to develop and construct projects in a timely manner in connection with launching the new project initiatives.

If any of these risks occur, our business and financial condition could be adversely affected.

We may experience challenges expanding our business into new geographic areas, which may adversely affect our business, financial condition and results of operations.

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

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

We cannot assure you that we will be successful in expanding our business to include other markets in India. Any failure by us to successfully carry out our plan to geographically diversify our business could have an adverse effect on our business, financial condition and results of operations.

Some of the parcels of land that we may develop and which may form a part of our land reserves may be classified as "Agriculture Land" or "green belt area", classifications which do not permit commercial or residential development unless certain permissions are obtained.

No commercial or residential development is permitted on land classified as "agricultural land" without obtaining the prior approval of local authorities, including the conversion of such land to the appropriate zone for development. We cannot assure you that we will be able to obtain the requisite permission and conversion by the relevant authorities to convert the use of such land for non-agricultural development purposes in a timely manner, or at all. If we do not receive permission and conversion in a timely manner, we may not be able to develop such project as planned or at all, which could adversely affect our business, prospects, financial condition and results of operations.

"Green belt area" refers to land within a restricted area as declared by the respective state Government, certain land falling within such area are land upon which no commercial or residential development is permissible. However, certain activities are allowed to be carried out in the green belt areas, including construction of places of worship, hospitals, libraries, sports clubs and cultural buildings. Any other form of activity to be carried out would require the prior consent of the relevant authority. We cannot assure you that in the event that we are able to acquire such land directly or indirectly, that we will be granted or will obtain permission to develop such land for purposes other than those mentioned above which could adversely affect our business, prospects, financial condition and results of operations.

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

Our key management personnel collectively have many years of experience in managing our business and are difficult to replace. They provide expertise which enables us to make well informed decisions in relation to our business and our future prospects. We cannot assure you that we will continue to retain any or all of the key members of our management. For instance, Mr. Milind Korde, ceases to be our Managing Director with effect from March 31, 2012. The loss of the services of any such key members of our management team could have an adverse effect on our business and the results of our operations.

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

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

The real estate sector in India is heavily regulated by the central, state and local governments. Real estate developers are required to comply with a number of requirements mandated by Indian laws and regulations, including policies and procedures established and implemented by local authorities in relation to land acquisition, transfer or property, registration and use of land. Certain of these laws vary from state to state. For example, the procedure for obtaining a certificate for change of land use varies from state to state.

Although we believe that our projects materially comply with applicable laws and regulations, regulatory authorities may allege non-compliance and may subject us to regulatory action in the future, including penalties, seizure of land and other civil or criminal proceedings which may affect the development of our projects, and as a result, adversely affect our business, financial condition and results of operations. In addition, such laws and regulations may change in the future, requiring the expenditure of resources and changes in development plans, among other things, which would adversely affect our business, financial condition and results of operations. In 2011, the estimated Developable Area for our Godrej Garden City, Ahmedabad project was reduced from 40.4 million sq. ft. to 24.0 million sq. ft. and the percentage of the total area demarcated for residential area increased from 65.0% to 90.0%, as a result of changes made to comply with new regulations for residential townships promulgated by the state of Gujarat. Further, the state of Maharashtra has, by a notification dated January 18, 2012, proposed modifications to development control regulations of the Mumbai Municipal Corporation, which, among other things, provide for reservation of certain portions of real estate project areas for economically weaker sections, which, if enacted, could adversely affect our business and prospects. Certain other municipal corporations require developers to reserve portions of their projects for economically weaker sections and any such imposition on us could adversely affect our business and prospects.

We have not obtained certain approvals or permits for some of our projects and may be unable to obtain or renew required approvals and permits in a timely manner or at all and existing approvals or permits may be suspended or revoked which could have an adverse effect on our business, prospects, financial condition and results of operations.

In order to develop and complete a real estate project, developers must obtain various approvals, permits and licences from the relevant administrative authorities at various stages of project development, and developments may have to qualify for inclusion in local "master plans". We may encounter major problems in obtaining the requisite approvals or licences, may experience delays in fulfilling the conditions precedent to any required approvals and we may not be able to adapt ourselves to new laws, regulations or policies that may come into effect from time to time with respect to the real estate sector. Some of the approvals we have applied for are currently pending and we may need to apply for renewal of approvals which may expire from time to time, in the ordinary course of our business. Further, under certain of our approvals, we are required to obtain fresh permits if the construction is not completed within a stipulated period.

Our failure to obtain certain regulatory approvals delayed the launch of projects in Chennai, Hyderabad and Ahmedabad. Further, development activity at the Godrej Genesis, Pune project has been suspended as a significant portion of the property for this project falls under a restricted area for the purposes of such construction. If we experience difficulties in obtaining or fail to obtain the requisite governmental approvals, the schedule of development and sale or letting of our projects could be substantially disrupted.

Additionally, we may encounter difficulties in fulfilling the conditions precedent to the approvals described above or any approvals that we may require in the future, some of which may be onerous and may require us to incur expenditure that we may not have anticipated. We may also not be able to adapt to new laws, regulations or policies that may come into effect from time-to-time with respect to the particular processes with respect to the granting of the approvals. There may also be delays on the part of the administrative bodies in reviewing our applications and granting approvals or the approvals issued to us may be suspended or revoked in the event of non-compliance or alleged non-compliance with any terms or conditions thereof, or pursuant to any regulatory action. If we fail to obtain or renew, or experience delays in obtaining or renewing, the requisite governmental approvals, or if any approvals are suspended or revoked, the schedule of development and the sale of our projects could be substantially disrupted or impeded, which could have an adverse effect on our business, prospects, financial condition and results of operations. Further, conversion of land from industrial use to residential or commercial use may entail possibility of litigation filed by the interested parties.

Our business and growth plan could be adversely affected by the incidence and rate of taxes and stamp duties, which could adversely affect our financial condition and results of operations.

As a property owning and development company, we are subject to the property tax regime in each state where our projects are located. These taxes could increase in the future, and new types of property taxes may be introduced which would increase our overall development and other costs. We also buy and sell properties throughout India; property conveyances are generally subject to stamp duty. If these duties increase, the cost of acquiring properties will rise, and sale values could also be affected. An increase in stamp duties could also adversely affect investor demand and may adversely affect our sales. Any such changes in the incidence or rates of property taxes or stamp duties could have an adverse affect on our financial condition and results of operations.

Also, the taxation system within India is complex. Each state in India has different local taxes and levies including sales tax, service tax, VAT and octroi. Changes in these local taxes and levies may adversely affect our profits and profitability. Any negative changes in the regulatory conditions in India or our other geographic markets could adversely affect our financial condition and results of operations.

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

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

other pollutants into the air, soil or water may nevertheless cause us to be liable to the Government of India or to third parties. In addition, we may be required to incur costs to remedy the damage caused by such discharges, pay fines or other penalties for non-compliance, which may adversely affect our financial condition and results of operations.

Our operations and the work force on property sites are exposed to various hazards, which could adversely affect our business, financial condition and results of operations.

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

The Government of India or state governments may exercise rights of compulsory purchase or eminent domain over our or our development partners' land, which could adversely affect our business.

The Land Acquisition Act, 1894 allows the central and state governments to exercise rights of compulsory purchase which, if used in respect of our land or our development partners' land, could require us or our development partners to relinquish land without judicial recourse and with minimal compensation. The likelihood of such actions may increase as the central and state governments seek to acquire land for the development of infrastructure projects such as roads, airports and railways. Any such action in respect of one or more of our projects could adversely affect our business. Further, in relation to our Godrej Platinum, Bengaluru project, a notice has been issued by the National Highways Authority of India towards acquisition of a portion of the land to widen a national highway.

Separately, in terms of certain approvals obtained by us, we are required to construct service roads on part of licensed area and transfer it free of cost to the relevant government. The government is also entitled to take over the project area in public interest without having to pay us any compensation.

Further, the Land Acquisition, Rehabilitation and Resettlement Bill, 2011 (the "**Land Acquisition Bill**") was introduced before the Indian Parliament to govern processes in relation to land acquisition in India. The Land Acquisition Bill incorporates additional restrictions on land acquisition (for instance, restrictions on the acquisition of certain types of agricultural land) and includes provisions relating to the compensation, rehabilitation and resettlement of affected persons. The Land Acquisition Bill, if enacted, could restrict our ability to acquire land or development rights over land, which could adversely affect our business.

Any failure in the successful implementation of our information technology systems may have an adverse effect on our business, financial condition and results of operations.

Our information technology systems are important to our business. We utilise information technology systems in connection with overall project management, human resources and accounting. We have adopted an online information management system for garnering competitive advantages and reducing risks associated with communication. We have partnered with Aconex to establish a communication and collaboration platform for all of our projects. We use building information model systems for our complex projects. These technologies help us address execution-related risks with greater precision. 22 of our projects are currently operational on SAP. We have also implemented the Sales Force CRM system for managing leads and tracking customer interactions for two of our projects. Any failure in our information technology systems could result in business interruption, adversely affecting our reputation and weakening our competitive position and could have an adverse effect on our financial condition and results of operations. Any failure in the successful implementation of our information technology systems may have an adverse effect on our business, financial condition and results of operations.

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

Although we maintain insurance for a variety of risks, including, among others, for risks relating to fire, burglary, Directors and Officers liability and certain other losses and damages and employee related risks, not all such risks maybe insured or may be possible to insure at commercially acceptable terms. While we believe that the insurance coverage which we maintain directly or through our contractors for our business would be reasonably adequate to cover the normal risks associated with the operation of such business, we cannot assure you that any claim under the insurance policies maintained by us will be honoured fully, in part or on time, nor that we have taken out sufficient insurance to cover all material losses as policies contain certain exclusions and limitations of coverage. Should an uninsured loss or a loss in excess of insured limits occur, we could incur liabilities or losses or lose capital invested in that property, while remaining obligated for any indebtedness or other financial obligations related to our business. For example, title insurance is not commercially available in India to guarantee title or development rights in respect of land. Any such loss could result in substantial liabilities to us or adversely affect our ability to replace property that is destroyed or damaged, and could adversely affect our financial condition.

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

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

The application of the revised Guidance Note on Recognition of Revenue by Real Estate Developers by the ICAI regarding the application of the percentage of completion method could adversely affect our financial condition.

The Accounting Standards Board of the ICAI has issued a revised Guidance Note on Recognition of Revenue by Real Estate Developers (the "**Guidance Note**") in February 2012 that provides guidance on the application of the percentage of completion method under Accounting Standard 7. The Guidance Note states that revenue recognition under the percentage of completion method should only be applied when, among other things, the stage of completion of the project has reached a reasonable level of development. The Guidance Note states that all projects that have commenced or entered into after April 1, 2012 must recognise revenue when at least 25.0% of the total estimated construction and development costs have been incurred by the developer and when certain other conditions have been met. The Guidance Note is also applicable to projects which have already been commenced but where revenue is recognised for the first time on or after April, 1, 2012. We currently recognise revenue when the expenditure incurred on project costs is at least 20.0% of the total estimated construction and development costs. While we do not anticipate that the application of this Guidance Note to our use of the percentage of completion method will have an adverse effect on our financial condition, it may adversely affect the way that we recognise revenue in the context of the business plans and timelines of the projects that we are currently developing, which could have an adverse effect on our financial condition.

Certain statements contained in this Preliminary Offer Document are based on current management plans and estimates and may be subject to change.

Certain information contained in this Preliminary Offer Document, such as development rights owned by us, location and type of project, estimated construction commencement and completion dates, our funding requirements and the Developable Area and Saleable Area presented herein with regard to Ongoing Projects and Forthcoming Projects are based on management plans and estimates and are subject to regulatory approvals. The square footage that we may develop in the future with regards to a particular property may differ from what is presented herein based on various factors such as prevailing market conditions, current management plans, change in laws and regulations, competition, title defects, an inability to obtain the required regulatory approvals such as zone conversion, approvals under the local township policy, changes or modifications in the development norms (such as FSI and zoning, including the Coastal Regulatory Zone), approval of incentive FSI under various regulations, TDR or our understanding of development norms.

External Risks

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

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

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

The real estate market is significantly affected by changes in economic conditions, government policies, interest rates, income levels, demographic trends and employment, among other factors. These factors can negatively affect the demand for, valuation and cost of our Ongoing Projects and Forthcoming Projects. For example, lower interest rates may assist us in procuring borrowings at attractive terms for the purchase of land or development of our projects. As of December 31, 2011, ₹ 12,740.51 million of our indebtedness consisted of floating rate indebtedness. Our business may be adversely affected by a general rise in interest rates in India. In addition, rising interest rates could discourage our customers from borrowing to finance real estate purchases as well as companies, such as us, from incurring indebtedness to purchase or develop land. As such, our business could be adversely affected if the demand for, or supply of, real estate financing at attractive rates and other terms were to be adversely affected.

A large number of our customers, especially buyers of residential properties belonging to the mid-income segment, finance their purchases by raising loans from banks and other lenders. Residential projects constituted 80.5% of our total Saleable Area as of December 31, 2011. Availing home loans for residential properties has become particularly attractive due to income tax benefits available to home owners. The availability of home loans may however, be affected if such income tax benefits are withdrawn or the interest rates on such loans continue to increase or there is a decrease in the availability of home loans. This may affect the ability of our customers to finance the purchase of their residential properties and may consequently affect the demand for our projects.

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

The real estate industry has witnessed significant downturns in the past, and any significant downturn in the future could adversely affect our business, financial condition and results of operations.

Economic developments within and outside India adversely affected the property market in India and our overall business in the recent past. The global credit markets have experienced, and may continue to experience, significant volatility and may continue to have an adverse effect on the availability of credit and the confidence of the financial markets, globally as well as in India. As a result of the global downturn, the real estate industry also experienced a downturn. It resulted in an industry-wide softening of demand for property due to a lack of consumer confidence, decreased affordability, decreased availability of mortgage financing, and resulted in large supplies of apartments.

Even though the global credit and the Indian real estate markets have shown signs of recovery, market volatility and economic turmoil may continue to exacerbate industry conditions or have other unforeseen consequences, leading to uncertainty about future conditions in the real estate industry. These effects include, but are not limited to, a decrease in the sale of, or market rates for, our projects, delays in the release of certain of our projects in order to take advantage of future periods of more robust real estate demand and the inability of our contractors to obtain working capital. We cannot assure you that the government's responses to the disruptions in the financial markets will restore consumer confidence, stabilise the real estate market or increase liquidity and availability of credit. Any significant downturn in future would have an adverse effect on our business, financial condition and results of operations.

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

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

Political instability or changes in the Government of India could adversely affect economic conditions in India generally and our business, prospects, financial condition and results of operations.

The Government of India has traditionally exercised, and continues to exercise, a significant influence over many aspects of the economy. Our business, and the market price and liquidity of our Equity Shares, may be affected by interest rates, changes in government policy, taxation, social and civil unrest and other political, economic or social developments in or affecting India. Since 1991, successive Indian governments have pursued policies of economic liberalisation and financial sector reforms. However, the rate of economic liberalisation could change and we cannot assure you that such policies will be continued. A change in the government or in the government's future policies could affect business and economic conditions in India and could also adversely affect our business, prospects, financial condition and results of operations.

Indian corporate and other disclosure and accounting standards differ from those observed in other jurisdictions such as U.S. GAAP and IFRS.

Our financial statements are prepared in accordance with Indian GAAP, which differs in significant respects from U.S. GAAP and IFRS. As a result, our financial statements and reported earnings could be significantly different from those which would be reported under U.S. GAAP or IFRS, which may be material to your consideration of the financial information prepared and presented in accordance with Indian GAAP contained in this Preliminary Offer Document. You should rely on your own examination of our Company, the terms of the Issue and the financial information contained in this Preliminary Offer Document.

Restrictions on FDI in the real estate sector may adversely affect our business and prospects.

The Government of India permits foreign direct investment ("**FDI**") of up to 100.0% in townships, housing, built-up infrastructure and construction development projects, subject to certain restrictions under the Consolidated FDI Policy. Our inability to raise additional capital as a result of these and other restrictions could adversely affect our business and prospects. Under the foreign exchange regulations currently in force in India, transfers of shares between non-residents and residents are permitted subject to compliance with the pricing guidelines and reporting requirements specified by the RBI. If the transfer of shares is not in compliance with such pricing guidelines or reporting requirements or certain other conditions, then the prior approval of the RBI will be required. Additionally, shareholders who seek to convert the Rupee proceeds from such sale of shares in India into foreign currency and repatriate that foreign currency from India will require the approval from the RBI, unless such sale is made on a stock exchange in India through a stock broker at the market price, and a no objection or tax clearance certificate from the income tax authority. We cannot assure you that any required approval from the RBI or any other Government agency can be obtained on any particular terms or at all.

Our business may be adversely affected by recent changes in competition law in India.

The Competition Act, 2002, as amended (the "**Competition Act**"), was enacted for the purpose of preventing practices having an adverse effect on competition in India, and has mandated the Competition Commission of India (the "**CCI**") to regulate such practices. Under the Competition Act, any arrangement, understanding or action, whether formal or informal, which causes or is likely to cause an appreciable adverse effect on competition in India are void and may result in substantial penalties. Any agreement among competitors which directly or indirectly determines purchase or sale prices; directly or indirectly results in bid rigging or collusive bidding; limits or controls production, supply, markets, technical development, investment or the provision of services; or shares the market or source of production or provision of services by way of allocation of geographical area or types of goods or services or number of customers in the relevant market or any other similar way, is presumed to have an appreciable adverse effect on competition in the relevant market in India and shall be void. Further, the Competition Act prohibits the abuse of dominant position by any enterprise. If it is proved that the contravention committed by a company took place with the consent or connivance or is attributable to any neglect on the part of, any director, manager, secretary or other officer of such company, that person shall be guilty of the contravention and may be punished. If we or any of our employees is penalised under the Competition Act, our business may be adversely affected.

On March 4, 2011, the Government of India notified and brought into force the provisions under the Competition Act in relation to combinations (the "**Combination Regulation Provisions**") with effect from June 1, 2011. The Combination Regulation Provisions require that acquisition of shares, voting rights, assets or control or mergers or amalgamations, which cross the prescribed asset and turnover based thresholds, shall be mandatorily notified to and pre-approved by the CCI. In addition, on May 11, 2011, the CCI issued the final Competition Commission of India (Procedure in regard to the transaction of business relating to combinations) Regulations, 2011. These regulations, as amended, set out the mechanism for implementation of the Combination Regulation Provisions under the Competition Act. The manner in which the Competition Act and the CCI affect the business environment in India may adversely affect our business.

Our transition to the use of the IFRS converged Indian Accounting Standards may adversely affect our financial condition and results of operations.

On February 25, 2011, the Ministry of Corporate Affairs, Government of India ("**MCA**"), notified that the IFRS converged Indian Accounting Standards ("**IND AS**") will be implemented in a phased manner and stated that the date of implementation of IND AS will be notified by the MCA at a later date. As of date, there is no significant body of established practice on which to draw from in forming judgments regarding the implementation and application of IND AS. Additionally, IND AS has fundamental differences with IFRS and as a result, financial statements prepared under IND AS may be substantially different from financial statements prepared under IFRS. As we adopt IND AS reporting, we may encounter difficulties in the ongoing process of implementing and enhancing our management information systems. Moreover, there is increasing competition for the small number of IFRS-experienced accounting personnel available as Indian companies begin to prepare IND AS financial statements. The adoption of IND AS by us and any failure to successfully adopt IND AS in accordance with the prescribed timelines could have an adverse effect on our financial condition and results of operations.

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

The occurrence of natural disasters, including hurricanes, floods, earthquakes, tornadoes, fires, explosions, pandemic disease and man-made disasters, including acts of terrorism and military actions, could adversely affect our results of operations or financial condition. The potential impact of a natural disaster such as the H5N1 "avian flu" virus or the H1N1 "swine flu" virus on our results of operations and financial condition is highly speculative, and would depend on numerous factors. We cannot assure prospective investors that such events will not occur in the future or that our results of operations and financial condition will not be adversely affected.

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

Terrorist attacks and other acts of violence or war may negatively affect the Indian markets on which our Equity Shares trade and also adversely affect the worldwide financial markets. These acts may also result in a loss of business confidence, and adversely affect our business. In addition, any deterioration in relations between India and its neighbouring countries might result in investor concern about stability in the region, which could adversely affect the price of our Equity Shares. India has also witnessed civil disturbances in the past and it is possible that future civil unrest as well as other adverse social, economic and political events in India could have a negative effect on us. Such incidents could also create a greater perception that investment in Indian companies involves a higher degree of risk and could have an adverse affect on our business and the price of our Equity Shares.

Any downgrading of India's debt rating by an independent agency may adversely affect our ability to raise debt 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 an adverse effect on our project expenditure plans, business and financial performance.

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

According to a report released by RBI, India's foreign exchange reserves totaled over US$293.44 billion as of February 17, 2012. Reserves have declined recently and may have negatively impacted the valuation of the Rupee. Further declines in foreign exchange reserves could adversely impact the valuation of the Rupee and could result in reduced liquidity and higher interest rates that could adversely affect our future financial performance and the market price of the Equity Shares.

We have not independently verified certain data in this Preliminary Offer Document.

We have not independently verified data from Government and industry publications contained herein and although we believe these sources to be reliable, we cannot assure you that they are complete or reliable. Such data may also be produced on a different basis from comparable information compiled with regards to other countries. Therefore, discussions of matters relating to India, its economy or the real estate industry herein are subject to the caveat that the statistical and other data upon which such discussions are based have not been verified by us and may be incomplete or unreliable.

These facts and other statistics include the facts and statistics included in "Industry". Due to possibly flawed or ineffective data collection methods or discrepancies between published information and market practice and other problems, the statistics herein may be inaccurate or may not be comparable to statistics produced elsewhere and should not be unduly relied upon. Further, we cannot assure you that they are stated or compiled on the same basis or with the same degree of accuracy, as the case may be, elsewhere.

Risks Related to the Equity Shares

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

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

Equity Shares are initially traded may not correspond to the prices at which the Equity Shares will trade in the market subsequent to this Issue.

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. These exchanges have also experienced events 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 events occur in the future, the market price and liquidity of the Equity Shares could be adversely affected.

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.

The Equity Shares will be subject to a daily circuit breaker imposed on listed companies 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 Company’s 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 are not required to inform our Company of the percentage limit of the circuit breaker from time to time, and may change it without its knowledge. This circuit breaker would effectively limit the upward and downward movements in the price of the Equity Shares. As a result of this circuit breaker, we cannot make any 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.

There may be less information available about companies listed on Indian securities markets than companies listed on securities markets in other countries.

There may be less publicly available information about Indian public companies, including us, than is regularly disclosed by public companies in other countries with more mature securities markets. There is a difference between the level of regulation and monitoring of the Indian securities markets and the activities of investors, brokers and other participants in those markets, and that of markets in other more developed economies. In India, while there are certain regulations and guidelines on disclosure requirements, insider trading and other matters, there may be less publicly available information about Indian companies than is regularly made available by public companies in many developed economies. As a result, you may have access to less information about our business, results of operations and financial condition, and those of our competitors that are listed on the Stock Exchanges, on an ongoing basis, than you may in the case of companies subject to the reporting requirements of certain other countries.

You may be restricted in your ability to exercise pre-emptive rights under Indian law and may be adversely affected by future dilution of your ownership position.

Under the Companies Act, a company incorporated in India must offer its holders of shares pre-emptive rights to subscribe and pay for a proportionate number of shares to maintain their existing ownership percentages before the issuance of any new shares, unless the pre-emptive rights have been waived by adoption of a special resolution by holders of three-fourths of the shares which are voted on the resolution, or unless we have obtained government approval to issue without such special resolution, subject to votes being cast in favour of the proposal exceeding the votes cast against such proposal. However, if the law of the jurisdiction you are in does not permit you to exercise your pre-emptive rights without us filing an offering document or registration statement with the applicable authority in the jurisdiction you are in, you will be unable to exercise your pre-emptive rights unless we make such a filing. If we elect not to make such a filing, the new securities may be issued to a custodian, who may sell the securities for your benefit. The value such custodian would receive upon the sale of such securities, if any, and the related transaction costs cannot be predicted. To the extent that you are unable to exercise pre-emptive rights granted in respect of the Equity Shares, your proportional interest in us would be reduced.

Economic developments and volatility in securities markets in other countries may cause the price of our Equity Shares to decline.

The Indian economy and its securities markets are influenced by economic developments and volatility in securities markets in other countries. Investors' reactions to developments in one country may have adverse effects on the market price of securities of companies located in other countries, including India. Any worldwide financial instability could also have a negative impact on the Indian economy, including the movement of exchange rates and interest rates in India. Negative economic developments, such as rising fiscal or trade deficits, or a default on sovereign debt, in other emerging market countries may affect investor confidence and cause increased volatility in Indian securities markets and indirectly affect the Indian economy in general.

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

Any future equity issuances by us may lead to the dilution of your shareholdings in our Company. Any future equity issuances by us or sales 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 sales might occur could also affect the trading price of our Equity Shares. Under the SCRR, listed companies are required to maintain public shareholding of at least 25.0% of their issued share capital. Pursuant to the Securities Contracts (Regulation) (Amendment) Rules, 2010, notified on June 4, 2010 and the Securities Contracts (Regulation) (Second Amendment) Rules, 2010, notified on August 9, 2010, the SCRR was amended to: (a) define public shareholding to refer to persons other than a company's promoter, promoter group, subsidiaries and associates; and (b) exclude shares held by a custodian against which depository receipts have been issued overseas. We are required to increase our public shareholding to at least 25.0% of our issued share capital within three years of the commencement of the Securities Contracts (Regulation) (Amendment) Rules, 2010. Failure to comply with the minimum public shareholding requirements may result, among other things, in the Stock Exchanges taking action for delisting of our Equity Shares, and may also result in penal action being taken against us. We may not be able to meet these requirements even after the Allotment of Equity Shares pursuant to the Issue and to meet such requirements, our Promoters or Promoter Group may sell or we may issue Equity Shares in the future.

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

Capital gains arising from the sale of our Equity Shares are generally taxable in India. Any gain realised on the sale of our Equity Shares on a stock exchange held for more than 12 months will not be subject to capital gains tax in India if the securities transaction tax has been paid on the transaction. The securities transaction tax will be levied on and collected by an Indian stock exchange on which our Equity Shares are sold. Any gain realised on the sale of our Equity Shares held for more than 12 months to an Indian resident, which are sold other than on a recognised stock exchange and as a result of which no securities transaction tax has been paid, will be subject to capital gains tax in India. Further, any gain realised on the sale of our Equity Shares held for a period of 12 months or less will be subject to capital gains tax in India. For details, see "Statement of Tax Benefits".

An investor will not be able to sell any of the Equity Shares subscribed in the Issue other than on a recognised Indian stock exchange for a period of 12 months from the date of the Allotment of the Equity Shares.

Pursuant to the SEBI Regulations, for a period of 12 months from the date of the Allotment of Equity Shares, QIBs subscribing to the Equity Shares in the Issue may only sell their Equity Shares on the NSE or the BSE and may not enter into any off-market trading in respect of these Equity Shares. We cannot assure you that these restrictions will not have an adverse effect on the price of the Equity Shares.

We cannot assure you that our Equity Shares will be listed on the BSE and the NSE in a timely manner or at all, which may restrict your ability to dispose of the Equity Shares.

In accordance with Indian law and practice, permission for listing of the Equity Shares will not be granted by the BSE and the NSE until after the Equity Shares offered in this Issue have been Allotted. In addition, we are required to deliver the Offer Document to the RoC for registration under the applicable provisions of the Companies Act. We cannot assure you that the RoC will register the Offer Document in a timely manner, or at all. Approval will also require all other relevant documents authorising the issuance of the Equity Shares to be submitted. There could be a failure or delay in listing the Equity Shares on the BSE and the NSE. Any failure or delay in obtaining such approval would restrict your ability to dispose of your Equity Shares.

MARKET PRICE INFORMATION

As of the date of this Preliminary Offer Document, 69,850,009 Equity Shares have been issued and are fully paid up. The Equity Shares are listed on the BSE and the NSE. As the Equity Shares are actively traded on the BSE and the NSE, the stock market data has been given separately for each of these Stock Exchanges. The Equity Shares have been listed on the BSE and the NSE since January 5, 2010.

The table set forth below indicates the high and low prices of the Equity Shares and the volume of trading activity for the specified periods. The closing prices of the Equity Shares on the BSE and the NSE on March 14, 2012 were ₹ 675.70 and ₹ 673.65 per Equity Share, respectively.

The high, low and average market prices of the Equity Shares for the periods indicated, are as below:

BSE									
Year ending March 31,	**Date of High**	**High (₹)(1)**	**Volume on date of High (No. of Equity Shares)(2)**	**Volume on date of High (In ₹ million)**	**Date of Low**	**Low (₹)**	**Volume on Date of Low (No. of Equity Shares)**	**Volume on Date of Low (In ₹ million)**	**Average (₹)(3)**
2010	January 5, 2010	534.55	5,260,628	2,901.15	February 24, 2010	464.95	8,981	4.18	493.87
2011	September 2, 2010	790.40	140,840	111.55	May 7, 2010	475.85	230,718	114.11	631.87
2012*	July 22, 2011	814.95	152,152	121.38	January 2, 2012	605.55	762	0.46	680.41

** Up to February 29, 2012*
(Source: www.bseindia.com)

NSE									
Year ending March 31,	**Date of High**	**High (₹)(1)**	**Volume on date of High (No. of Equity Shares)(2)**	**Volume on date of High (In ₹ million)**	**Date of Low**	**Low (₹)**	**Volume on Date of Low (No. of Equity Shares)**	**Volume on Date of Low (In ₹ million)**	**Average (₹)(3)**
2010	January 5, 2010	537.25	8,707,481	4,802.73	February 24, 2010	465.65	5,099	2.38	494.27
2011	September 2, 2010	791.40	250,639	198.23	May 7, 2010	473.25	218,241	107.69	631.79
2012*	July 22, 2011	814.80	285,019	227.08	January 2, 2012	606.55	4,032	2.47	680.31

** Up to February 29, 2012*
(Source: www.nseindia.com)

Notes:

(1) High, low and average prices are of the daily closing prices.
(2) In case of two days with the same closing price, the date with the higher volume has been considered.
(3) Average price represents the average of the daily closing prices of each day for each year presented.

Monthly high and low prices and trading volumes on the Stock Exchanges for the six months preceding the date of filing of this Preliminary Offer Document:

BSE									
Month	Date	High (₹) [1]	Volume (No. of Equity Shares) [2]	Volume on date of High (In ₹ million)	Date	Low (₹)	Volume (No. of Equity Shares)	Volume on Date of Low (In ₹ million)	Average (₹) [3]
February 2012	February 17, 2012	667.05	16,891	11.28	February 7, 2012	631.85	4,238	2.70	652.39
January 2012	January 27, 2012	668.25	17,996	12.08	January 2, 2012	605.55	762	0.46	636.38
December 2011	December 7, 2011	679.35	1,541	1.04	December 30, 2011	609.40	4,196	2.62	649.82
November 2011	November 1, 2011	680.65	771	0.53	November 23, 2011	626.20	5,536	3.47	665.15
October 2011	October 31, 2011	691.40	1,958	1.35	October 5, 2011	622.00	12,957	8.28	664.45
September 2011	September 7, 2011	721.75	4,062	2.91	September 26, 2011	624.80	4,020	2.51	677.45

(Source: www.bseindia.com)

NSE									
Month	Date	High (₹) [1]	Volume (No. of Equity Shares) [2]	Volume on date of High (In ₹ million)	Date	Low (₹)	Volume (No. of Equity Shares)	Volume on Date of Low (In ₹ million)	Average (₹) [3]
February 2012	February 17, 2012	665.65	46,077	30.75	February 7, 2012	629.85	17,068	10.82	652.57
January 2012	January 27, 2012	665.10	108,951	72.67	January 2, 2012	606.55	4,032	2.47	636.87
December 2011	December 8, 2011	678.85	2,165	1.46	December 30, 2011	609.85	19,203	11.94	650.36
November 2011	November 1, 2011	684.50	4,621	3.17	November 23, 2011	625.50	10,088	6.34	664.85
October 2011	October 31, 2011	688.85	6,023	4.17	October 5, 2011	625.45	249,114	162.53	665.12
September 2011	September 7, 2011	719.90	14,556	10.44	September 26, 2011	627.75	4,217	2.65	676.99

(Source: www.nseindia.com)

Notes:

(1) High, low and average prices are of the daily closing prices.
(2) In case of two days with the same closing price, the date with the higher volume has been considered.
(3) Average Price represents the average of the daily closing prices of each day for each year presented.

Market price on February 9, 2012, the first working day following the Board Meeting approving the Issue was:

Date	BSE				NSE			
	Open	High	Low	Close	Open	High	Low	Close
February 9, 2012	655.00	665.00	647.10	653.20	664.00	665.00	649.10	656.20
Volume				19,524				57,049

(Source: www.bseindia.com, www.nseindia.com)

Details of the volume of business transacted during the last six months on the Stock Exchanges:

Period	BSE (No. of Equity Shares)	NSE (No. of Equity Shares)
February 2012	151,208	491,942
January 2012	74,762	356,906
December 2011	638,222	157,440
November 2011	66,152	346,759
October 2011	119,884	589,288
September 2011	918,067	340,977

(Source:www.bseindia.com,www.nseindia.com)

USE OF PROCEEDS

The total proceeds of the Issue will be approximately ₹ [●] million. After deducting fees and expenses of approximately ₹ [●] million, the net proceeds of the Issue will be approximately ₹ [●] million.

Subject to compliance with applicable laws and regulations, the Company intends to use the net proceeds of the Issue towards prepayment and repayment of existing debt of the Company and its Subsidiaries, acquisition of land development rights and general corporate purposes.

As of December 31, 2011, the principal amount of the total outstanding loans of the Company on a consolidated basis was ₹ 20,001.58 million. The Company and its Subsidiaries have entered into various financing arrangements with banks and financial institutions, for secured and unsecured loans. The Company intends to primarily utilise the net proceeds of the Issue towards prepayment and repayment of the existing debt of the Company and its Subsidiaries. Prepayment of loans may be subject to consent of the lenders and payment of prepayment charges. In view of the requirements of its business and the dynamic nature of the industry, the Company may have to revise its business plan from time to time and consequently the fund requirements of the Company may also change. Accordingly, the Company may reduce or increase the amount of repayments of loan.

As a part of its business strategy, our Company may, from time to time, acquire land development rights directly, or through its Subsidiaries or LLPs and utilise a portion of the net proceeds of the Issue towards such strategy.

Subject to supervision of the Audit Committee and the Board as required under the provisions of the Equity Listing Agreement, the management of the Company will have flexibility in deploying the proceeds received by the Company from the Issue. Pending utilisation of the net proceeds of the Issue as described above, the Company intends to temporarily invest the funds in interest bearing instruments including deposits with banks and investments in mutual funds.

CAPITALISATION STATEMENT

The following table sets forth the Company's capitalisation and total debt, on a consolidated basis, as of December 31, 2011 and as adjusted to give effect to the Issue. This table should be read in conjunction with "***Management's Discussion and Analysis of Financial Condition and Results of Operations***" and our financial information contained in "***Financial Statements***".

(In ₹ million)

	As of December 31, 2011	**As adjusted for the Issue***
Shareholders' funds		
Equity share capital	698.50	[●]
Reserves and surplus	9,009.01	[●]
Total shareholders' funds (A)	**9,707.51**	**[●]**
Loan funds		
Secured loans	11,398.02	**[●]**
Unsecured loans	8,603.56	**[●]**
Total loan funds (B)	**20,001.58**	**[●]**
Total (A+B)	**29,709.09**	**[●]**

** To be included in the Offer Document after determination of the Issue Price.*

Notes:

(1) For details of the stock options granted under the GPL ESOP and the GPL ESGS, please see "***Board of Directors and Key Managerial Personnel***".

There will be no further issue of Equity Shares whether by way of public issue, issue of bonus shares, preferential allotment, rights issue, qualified institutions placement or in any other manner during the period commencing from the date of registering this Preliminary Offer Document with the RoC until the Equity Shares offered in the Issue have been listed on the Stock Exchanges or the Application Amounts are refunded, on account of *inter alia*, refusal of the listing of such Equity Shares by the Stock Exchanges.

DIVIDENDS

The Company does not have a formal dividend policy. Dividend amounts are determined from year to year in accordance with the Board's assessment of the Company's earnings, capital requirements, overall financial position and other factors prevailing at the time.

The dividend paid by the Company in the last three fiscals is as provided below:

	Financial Year 2009	**Financial Year 2010**	**Financial Year 2011**
Face value per Equity Share (₹)	10.00	10.00	10.00
Dividend (₹ Million)*	151.05	279.40	314.33
Dividend per equity share (₹)	2.50	4.00	4.50
Dividend rate (% to paid up capital)	25.00%	40.00%	45.00%

** Excluding corporate dividend tax*

The amounts paid as dividends in the past are not necessarily indicative of the Company's dividend policy or dividend amounts, if any, in the future. Investors are cautioned not to rely on past dividends as an indication of the future performance of the Company or for an investment in the Equity Shares offered in the Issue.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion and analysis of our financial condition and results of operations is based upon, and should be read in conjunction with, our audited consolidated financial statements for the nine months ended December 31, 2011 and 2010 and the financial years 2011, 2010 and 2009. Our financial statements are prepared in accordance with Indian GAAP. Indian GAAP differs in certain material respects with IFRS and U.S. GAAP. Our financial year ends on March 31 of each year. Accordingly, all references to a particular financial year are to the twelve month period ended March 31 of that year.

The following discussion and analysis contains forward-looking statements that involve risks and uncertainties. For additional information regarding such risks and uncertainties, see "Risk Factors".

Overview

We are one of the leading real estate development companies in India, with a focus on developing residential projects. We currently have real estate development projects in 12 cities in India. We undertake our projects through our in-house team of professionals and by partnering with companies with domestic and international operations. Our consolidated total income for the nine months ended December 31, 2011 and the financial year 2011 was ₹ 4,465.18 million and ₹ 5,589.10 million, respectively. Our consolidated profit for the nine months ended December 31, 2011 and the financial year 2011 was ₹ 581.25 million and ₹ 1,308.56 million, respectively.

Our Promoters and Promoter Group collectively held 83.79% of our outstanding Equity Shares as of December 31, 2011. We are a part of the Godrej group. We believe that the "Godrej" brand commands a strong resonance among the populace in India and is associated with trust, quality and reliability. The "Godrej" brand was valued at US$ 2.8 billion in October 2010 by Interbrand, a London-based brand consultant. The real estate business has been identified as one of the key growth businesses of the Godrej group.

We commenced development of our first project in 1991. We initially concentrated our operations in the Mumbai Metropolitan Region and later expanded to include other cities such as Pune, Bengaluru, Kolkata, Hyderabad, Ahmedabad, Mangalore, Chandigarh, Chennai, Kochi, the National Capital Region ("**NCR**") and Nagpur. As of December 31, 2011, we had completed a total of 31 projects comprising 21 residential and 10 commercial projects, aggregating to approximately 7.59 million sq. ft. of Developable Area and 4.84 million sq. ft. of Saleable Area.

We focus primarily on residential projects. In our residential projects portfolio, we develop projects that are focused on the higher end to mid-level range of the real estate market. Residential projects constituted 80.5% of our total Saleable Area as of December 31, 2011. In addition, we also have certain commercial projects at various stages of development, which constituted approximately 19.5% of our total Saleable Area as of December 31, 2011. Two of these projects, The Trees, Mumbai and Godrej Alpine, Mangalore, are mixed-use projects.

Our total Land Reserves, as of December 31, 2011, aggregated to approximately 75.8 million sq. ft. of Developable Area and 69.1 million sq. ft. of Saleable Area, which includes our Ongoing Projects and Forthcoming Projects.

The table below provides our estimated Developable Area and Saleable Area for our Ongoing Projects and Forthcoming Projects by city as of December 31, 2011:

City	Estimated Developable Area* (in million sq. ft.)	Estimated Saleable Area* (in million sq. ft.)	Number of Projects
Ahmedabad	24.00	23.00	1
Bengaluru	2.84	2.26	5
Chandigarh	0.68	0.48	1
Chennai	3.23	2.51	1
Gurgaon	3.30	2.86	2

City	Estimated Developable Area* (in million sq. ft.)	Estimated Saleable Area* (in million sq. ft.)	Number of Projects
Hyderabad	10.02	7.53	2
Kochi	2.52	2.24	1
Kolkata	6.83	6.28	3
Mangalore	0.99	0.89	1
Mumbai Metropolitan Region	5.70	5.52	8
Nagpur	2.76	2.76	1
Pune	12.97	12.78	3
Total	**75.84**	**69.10**	**29****

* Total Developable/Saleable Area, irrespective of the revenue, profit or area sharing arrangement.
** In addition to these 29 projects, we have entered into an agreement dated January 18, 2012 with Kamla Landmarc Property Leasing and Finance Private Limited to undertake a residential redevelopment project in Sahakar Nagar, Mumbai.

In addition, we have entered into memoranda of understanding with our Promoter and certain members of the Godrej group for developing land owned by them in various regions across India. The land covered under these memoranda of understanding does not form a part of our Land Reserves and is detailed in the table below:

Group Company	City	Area (in acres)
Godrej & Boyce	Mohali (Chandigarh)	75
Godrej Agrovet Limited	Bengaluru	100
TOTAL		175

We have also entered into a memorandum of understanding with Godrej & Boyce to develop its lands in Vikhroli, Mumbai, under which we are entitled to receive 10.0% of the money received for the sales of units as a development manager fee, with the total area of land to be developed pursuant to the memorandum of understanding not yet determined. In addition, we have entered into an agreement with Godrej & Boyce to develop the Godrej Platinum, Mumbai project, under which we are entitled to 10.0% of the money received for the sales of units as a development manager fee. Godrej Platinum is located on land which is the subject matter of the memorandum of understanding with Godrej & Boyce to develop its lands in Vikhroli, Mumbai. For details of these memoranda of understanding and agreement, see "***Our Business — Memoranda of Understanding, Limited Liability Partnership Agreements and Development Agreement with Godrej Group Companies***".

Factors Affecting Our Results of Operations

Our results of operations and financial condition are affected by a number of factors, including the following, which are of particular importance:

General Economic Condition and the Condition and Performance of the Real Estate Market in India

The economic condition of India, particularly in the markets in which we operate, has a direct impact on our income, as all of our operations are located in these markets. Following the global financial crisis, the Indian economy witnessed growth of 8.6% (advance estimate) for the financial year 2011. However, the baseline projection of GDP growth for the financial year 2012 has been revised downwards by the RBI from 7.6% to 7.0%. *(Source: Ministry of Finance, Economic Survey 2010-11; RBI Third Quarter Review of Monetary Policy 2011-12)*. The levels of growth in the GDP and per capita income of Indians affect demand for real estate developments and as such, have a direct impact on our income.

The Indian real estate sector underwent a rapid transformation during 2008 and 2009 due to the global economic crisis as growth slowed during this period. However, as a result of the Indian economy showing signs of stability and growth, coupled with improvement in affordability and access to finance, housing demand is expected to witness a revival in demand in the near future. *(Source: Cushman & Wakefield and Global Real Estate Institute, Riding the Wave, Re-Emergence of Indian Real Estate Sector, 2010).* Rising disposable incomes in the middle and higher income groups have also resulted in an increase in demand for improved residential housing featuring a variety of amenities. Our focus on the development of high quality residential projects requires us to satisfy consumer expectations. Developments in the real estate sector are primarily driven by:

- demand for a greater volume and more sophisticated varieties of housing in cities and towns due to the growing urbanisation of the Indian populace, an expanding middle class, increased disposable income, diverse range of housing choices, the trend towards nuclear families and the relatively easy availability of housing finance and tax incentives; and

- the development of infrastructure, including roads, airports and intra-city connectivity.

Supply of Land and Cost of Acquisition of Development Rights

Our operations and growth are dependent on the availability of land at appropriate locations for our developments, the terms of sharing of revenues, profits or Developable Areas for our joint development arrangements, and, in some cases, the cost of acquisition of land.

The effective cost of development rights in the case of joint developments and the cost of acquisition of freehold or leasehold land are significant factors for real estate developers, including us. Our practice has typically been to enter into development agreements instead of acquiring freehold or leasehold interests in land. However, on occasion we acquire the land we intend to develop. Entering into development agreements eliminates the large upfront costs of acquiring land and also reduces our financing costs. Typically, such agreements require us to make certain payments to the joint development partner prior to the commencement of the project and we obtain the right to construct and develop the property from the owner of land in exchange for the land-owner either sharing a pre-determined portion of developed property, revenues or profits generated from such development. For such developments, we generally incur all of the construction and development costs. Additionally, in some projects, we offer and sell equity interests in project-specific companies to long-term investors. This enables us to undertake more projects with lesser financial investment while maintaining significant management control. As of December 31, 2011, eight of our projects were being undertaken with long-term equity partners who have invested in project-specific companies.

Additionally, any government regulations, policies or other developments that restrict the acquisition of land or increase competition for land will affect our operations. Delays in acquiring clean title, conversion of land for development purposes and other requisite approvals may delay the project development schedule and associated costs and affect our operations. Land used in a specific project is assigned to such project and is included in the cost of construction and development of such project. Such costs of land, together with costs of construction and development, are expensed for projects as and when they are sold.

Costs of Construction and Development

Costs of construction primarily comprise cost of steel, cement, flooring products, hardware, lifts, mechanical and electrical equipment, doors and windows, bathroom fixtures and other interior fittings, wood and other materials, as well as labour. We generally procure construction materials from high quality and reliable suppliers and in wholesale amounts or prices to effectively manage our construction costs, time schedules and quality. Our costs of construction are the most significant portion of our total expenditure. Other items in cost of sales include cost of land development rights or cost of land, construction, infrastructure, architect fees, advertisement and selling expenses, other overhead costs and interest. Our cost of sales comprised 72.3%, 45.8%, 58.0%, 51.2% and 47.6% of our total income for the nine months ended December 31, 2011 and 2010 and the financial years 2011, 2010 and 2009, respectively.

Cost of Financing

Though we believe we are able to obtain funding at relatively low interest rates, cost of financing is material for us, as we require significant capital to develop our projects. Our total outstanding indebtedness, on a consolidated basis, was ₹ 20,001.58 million, ₹ 8,704.96 million, ₹ 9,448.60 million, ₹ 7,095.81 million and ₹ 6,563.42 million as of

December 31, 2011 and 2010 and March 31, 2011, 2010 and 2009, respectively, and our total interest and finance charges paid were ₹ 1,039.26 million, ₹ 640.65 million, ₹ 803.35 million, ₹ 891.72 million and ₹ 640.71 million for the nine months ended December 31, 2011 and 2010 and the financial years 2011, 2010 and 2009, respectively.

One of the major drivers behind the growth of demand for housing units is rising disposable income and availability of housing loans at relatively affordable interest rates. Changes in interest rates also affect the ability and willingness of our prospective real estate customers, particularly customers for our residential properties, to obtain financing for their purchase of our developments. The interest rate at which our real estate customers may borrow funds for the purchase of our properties affects the affordability and purchasing power of, and hence the market demand for, our residential real estate developments.

The implementation of the Guidance Note on Recognition of Revenue

Our income from the properties is recognised on the basis of the percentage of completion method of accounting. Under this method, revenue comprises the aggregate amounts or sale price under the sale arrangement and is recognised on the basis of the percentage of construction work completed as certified by an architect or project management consultant, subject to such percentage being 20.0% or more of the project. See *"**— Our Significant Accounting Policies – Revenue Recognition"*** for further details.

The Accounting Standards Board of the ICAI has issued a guidance note on recognition of revenue by real estate developers (the "Guidance Note") that provides guidance on the application of the percentage of completion method under Accounting Standard 7. The Guidance Note states that all projects that have commenced after April 1, 2012 must recognise revenue when at least 25.0% of the total estimated construction and development costs have been incurred by the developer. As a result, we will be required to recognize revenue only when 25.0% or more of the construction for a project is completed.

Such other changes in the future may also cause significant changes in our financial condition.

Our Significant Accounting Policies

Principle of Consolidation

Our consolidated financial statements have been prepared in accordance with Accounting Standard (AS 21) "Consolidated Financial Statements", issued by the ICAI. The consolidated financial statements include the financial statements of our Company, all our Subsidiaries, and our LLPs, which are more than 50.0% owned or controlled and whose financial statements are drawn up to the same reporting date as us.

The consolidated financial statements have been combined on a line-by-line basis by adding the book values of like items of assets, liabilities, income and expenses after eliminating intra-group balances and transactions and resulting unrealised profits in full. In the consolidated financial statements, "Goodwill" represents the excess of the cost to us of our investments in our Subsidiaries over our share of equity, at the respective dates on which investments are made. Alternatively, where the share of equity as on the date of investments is in excess of cost of investments it is recognised as "Capital Reserve". "Minority Interest" represents the amount of equity attributable to minority shareholders at the date on which investment in a Subsidiary is made and its share of movements in the equity since that date. Any excess consideration received from minority shareholders of Subsidiaries over the amount of equity attributable to the minority on the date of investment is reflected under "Reserves and Surplus".

General

Our financial statements are prepared under the historical cost convention in accordance with Indian GAAP, the Accounting Standards issued by the ICAI and the provisions of the Companies Act.

Fixed Assets

Fixed assets are stated at cost of acquisition or construction less accumulated depreciation. Cost includes all incidental expenses related to acquisition and installation, other pre-operation expenses and interest in the case of construction.
The carrying amount of cash generating units and assets are reviewed at balance sheet date to determine whether there is any indication of impairment. If such indication exists, the recoverable amount is estimated as the net selling price or value in use, whichever is higher. Impairment loss, if any, is recognised whenever the carrying amount exceeds the recoverable amount.

Depreciation and Amortisation

Depreciation has been provided on the "written down value" basis, at the rates specified in Schedule XIV of the Companies Act.

Assets acquired on lease are depreciated over the period of the lease.

Leasehold improvements are amortised over the period of the lease.

Intangible assets are amortised over a period of six years.

Investments

Investments are classified into long-term and current investments.

Long-term investments are carried at cost. Provision for diminution, if any, in the value of each long-term investment is made to recognise a decline other than of a temporary nature.

Current investments are carried individually at the lower of cost and fair value and the resultant decline, if any, is charged to revenue.

Inventories

Inventories are valued as under:

- Completed flats: At lower of cost or market value
- Construction work-in-progress: At cost

Construction work-in-progress includes cost of land, premium for development rights, construction costs, allocated interest and expenses incidental to the projects undertaken by us.

Revenue Recognition

We follow the "percentage of completion" method of accounting. Under this method, revenue from the sale of properties is recognised in the profit and loss account in proportion to the actual cost incurred as against the total estimated cost of projects under execution with us on transfer of significant risk and rewards to the buyer. If the actual project cost incurred is less than 20.0% of the total estimated project cost, no income is recognised in respect of that project in the relevant period. Determination of revenues under the percentage completion method necessarily involves making estimates, some of which are of a technical nature, concerning, where relevant, the percentages of completion, costs to completion, the expected revenues from the project or activity and the foreseeable losses to completion. Estimates of project income, as well as project costs, are reviewed periodically. The effect of changes, if any, to estimates is recognised in the financial statements for the period in which such changes are determined. Losses, if any, are fully provided for immediately.

Revenue on bulk deals on sale of properties is recognised on execution of documents.

Income from operation of commercial complexes is recognised over the tenure of the lease or service agreement.

Interest income is accounted on an accrual basis at contracted rates.

Dividend income is recognised when the right to receive the same is established.

Development Manager Fees

We have been entering into development and project management agreements with landlords. Accounting for income from such projects is done on an accrual basis on percentage of completion according to the terms of the agreements.

Employee Benefits

- *Short-Term Employee Benefits:*
    - All employee benefits payable wholly within 12 months of rendering the service are classified as short-term employee benefits. Benefits such as salaries, wages and performance incentives are recognised to the extent of actual amounts due in the period in which the employee renders the related service.
- *Post-Employment Benefits:*
    - <u>Defined Contribution Plans:</u>
        - Payments made to defined contribution plans such as the employee provident fund are charged as an expense as they fall due.
    - <u>Defined Benefit Plans:</u>
        - The cost of providing benefits is determined using the "projected unit credit" method, with actuarial valuations carried out as of the balance sheet date. Actuarial gains and losses are recognised immediately in the profit and loss account.
        - The fair value of the plan assets is reduced from the gross obligation under the defined benefit plan, to recognise the obligation on a net basis.
        - Past service cost is recognised as an expense on a straight-line basis over the average period until the benefits become vested.
- *Other Long-Term Employee Benefits:*
    - Other long-term employee benefits are recognised as expenses in the profit and loss account as and when they accrue. We determine the liability using the "projected unit credit" method, with actuarial valuations carried out as of the balance sheet date. Actuarial gains and losses in respect of such benefits are charged to the profit and loss account.

Borrowing Cost

Interest and finance charges incurred in connection with the borrowing of funds, which are incurred for the development of long-term projects, are transferred to construction work-in-progress or due on management projects, as part of the cost of the projects at weighted average of the borrowing cost and rates according to the agreements.

Earnings Per Share

The basic earnings per share is computed using the weighted average number of common shares outstanding during the period. Diluted earnings per share are computed using the weighted average number of common and dilutive common equivalent shares outstanding during the period, except where the results would be anti-dilutive.

Provision For Taxation

Tax expense comprised current and deferred tax and fringe benefit tax which was applicable up to the financial year 2009.

Current tax is measured at the amount expected to be paid to the tax authorities, using the applicable tax rates and tax laws.

Deferred tax is recognised based on timing differences, being the differences between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax assets, subject to considerations of prudence, are recognised and carried forward only to the extent that there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. The tax effect is calculated on the accumulated timing difference at the end of the year based on the tax rates and laws enacted or substantially enacted on the balance sheet date.

Foreign Currency Transactions

Transactions in foreign currency are recorded at the exchange rates prevailing on the date of the transaction. Assets and liabilities related to foreign currency transactions that remain unsettled at the year end are translated at the year-end exchange rates. Forward exchange contracts that remain unsettled at the year end and are backed by underlying assets or liabilities are also translated at year-end exchange rates. The premium payable on foreign exchange contracts is amortised over the period of the contract. Exchange gains and losses are recognised in the profit and loss account.

Allocation of Expenses

Corporate employee remuneration and administration expenses are allocated to various projects on a reasonable basis as estimated by our management.

Provisions and Contingent Liabilities

Provisions are recognised in the accounts in respect of present probable obligations, the amount of which can be reliably estimated.

Contingent liabilities are disclosed in respect of possible obligations that arise from past events but their existence is confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within our control.

Results of Operations

The following table sets forth select financial data from our consolidated profit and loss statement for the nine months ended December 31, 2011 and 2010 and the financial years 2011, 2010 and 2009, the components of which are also expressed as a percentage of total income for such periods:

(₹ in million)	Nine months ended December 31				Financial Year					
	2011		2010		2011		2010		2009	
	Amount	% of Total Income	Amount	% of Total Income	Amount	% of Total Income	Amount	% of Total Income	Amount	% of Total Income
Income:										
Sales	4,036.24	90.4	1,236.20	54.9	4,412.31	78.9	2,115.17	54.2	1,851.85	72.8
Operating Income	162.14	3.6	0.74	0.0	102.73	1.8	311.81	8.0	200.79	7.9
Other Income	266.80	6.0	1,016.83	45.1	1,074.06	19.2	1,476.86	37.8	490.20	19.3
Total Income	**4,465.18**	**100.0**	**2,253.77**	**100.0**	**5,589.10**	**100.0**	**3,903.84**	**100.0**	**2,542.84**	**100.0**
Expenditure:										
Cost of Sales	3,229.76	72.3	1,033.16	45.8	3,239.99	58.0	2,000.27	51.2	1,211.07	47.6

Employee Remuneration and Benefits	45.88	1.0	24.49	1.1	73.13	1.3	106.85	2.7	37.51	1.5
Administrative Expenses	133.30	3.0	85.60	3.8	151.20	2.7	141.49	3.6	99.85	3.9
Interest and Finance Charges (Net)	43.39	1.0	9.56	0.4	34.00	0.6	5.54	0.1	93.57	3.7
Depreciation	27.82	0.6	27.99	1.2	39.73	0.7	25.99	0.7	11.48	0.5
Preliminary Expenses Written Off	0.01	0.0	0.01	0.0	0.02	0.0	0.01	0.0	0.01	0.0
Total Expenditure	**3,480.16**	**77.9**	**1,180.81**	**52.4**	**3,538.07**	**63.3**	**2,280.15**	**58.4**	**1,453.49**	**57.2**
Profit Before Tax and Minority Interest	985.02	22.1	1,072.96	47.6	2,051.03	36.7	1,623.69	41.6	1,089.35	42.8
Provision for Taxation	321.89	7.2	326.59	14.5	622.42	11.1	381.81	9.8	323.10	12.7
Profit After Tax and Minority Interest	**581.25**	**13.0**	**708.69**	**31.4**	**1,308.56**	**23.4**	**1,228.12**	**31.5**	**746.81**	**29.4**

Income. We are in the business of developing residential real estate properties primarily and commercial properties secondarily. Our sales income comprises income from the sale of residential and commercial properties. Our operating income primarily comprises income from development of projects, other income from customers and compensation from projects received as a result of our counterparty paying us compensation pursuant to terminating our rights with respect to a project during the financial year 2010 and pursuant to receiving compensation as a result of our joint development partner retaining certain land that was meant to be acquired by the National Highways Authority of India during the financial year 2011. Our other income includes income generated from profit on disposal of fixed assets, investments, miscellaneous income and interest income.

Our total income increased by 98.1% to ₹ 4,465.18 million for the nine months ended December 31, 2011 from ₹ 2,253.77 million for the nine months ended December 31, 2010. Our total income was ₹ 5,589.10 million for the financial year 2011, ₹ 3,903.84 million for the financial year 2010 and ₹ 2,542.84 million for the financial year 2009, representing financial year over financial year increases of 43.2% and 53.5%, respectively.

We account for income from the sale of constructed or under-construction projects using the percentage of completion method.

We typically enter into contracts with our customers while the project is still under development. Customers wishing to buy a property in a development are required to make an initial payment at the time of booking and pay the remaining purchase price either in full or in installments over the period between the date of booking and the date on which the property is to be transferred. Accordingly, bookings of Saleable Area rather than the actual amounts received determine revenue recognition under the percentage of completion method.

We estimate the total cost of a project, based on similar considerations, prior to its commencement. Our project planning and execution teams have extensive experience of prior projects, which enables them to estimate and monitor project costs. Our project execution teams re-evaluate project costs periodically, particularly when, in their opinion, there have been significant changes in market conditions, cost of labour and materials and other contingencies. Material re-evaluations will affect our income in the relevant financial periods.

Expenditure. Our total expenditure consists of cost of sales, employee remuneration and benefits, administrative expenses, interest and finance charges (net), depreciation and preliminary expenses written off. Our total expenditure as a percentage of our total income was 77.9%, 52.4%, 63.3%, 58.4% and 57.2% for the nine months ended December 31, 2011 and 2010 and the financial years 2011, 2010 and 2009, respectively. Expenses allocable to a specific development are provided under cost of sales of such development. All incurred expenses which are not specific to a particular project are accounted for separately as employee remuneration and benefits, administrative expenses, interest and finance charges or depreciation.

Cost of Sales. Our cost of sales consists of costs of our building and finishing materials, such as steel, cement, flooring products, hardware, lifts, mechanical and electrical equipment, doors and windows, bathroom fixtures and other interior fittings and wood, costs of development rights over land or acquisition of land, construction material and labour expenses including contractor or sub-contractor costs and expenses, electrical work and power costs, architects' and consultants' fees, advertisement expenses, interest, rates and taxes allocable to projects and other miscellaneous construction expenses. See ***"— Our Significant Accounting Policies – Inventories"***. These expenses are our most significant expenses and accounted for 72.3%, 45.8%, 58.0%, 51.2% and 47.6% of our total income for the nine months ended December 31, 2011 and 2010 and the financial years 2011, 2010 and 2009, respectively. Costs of steel and cement have increased during the past financial years. We expect our cost of sales to continue to be a major portion of our expenditure.

Employee Remuneration and Benefits. Employee remuneration and benefits consists of salaries and wages paid to our officers and employees, training and recruitment expenses, contributions to provident and other funds for the benefit of our officers and employees and other welfare expenses. Employee remuneration and benefits does not include the costs of labour, architects or consultants, which are allocable to specific developments and are provided for under cost of sales. Employee remuneration and benefits accounted for 1.0%, 1.1%, 1.3%, 2.7% and 1.5% of our total income for the nine months ended December 31, 2011 and 2010 and the financial years 2011, 2010 and 2009, respectively.

Administrative Expenses. Our administrative and selling expenses consist of consultancy charges, rent, power and fuel, insurance, cost of project management, service charges, rates and taxes and other operating expenses. These do not include administrative expenses which are allocable to specific developments and are provided for under cost of sales. Administrative expenses accounted for 3.0%, 3.8%, 2.7%, 3.6% and 3.9% of our total income for the nine months ended December 31, 2011 and 2010 and the financial years 2011, 2010 and 2009, respectively.

Interest and Finance Charges (Net). Interest and finance charges (net) consist of interest paid on term loans and other loans obtained from banks, financial institutions and other lenders, as well as the related processing charges. Interest and finance charges debited to profit and loss account are net of interest and finance charges capitalised on projects. See ***"Financial Statement – Annexure XIX Consolidated Statement of Interest and Finance Charges (Net)"*** for further details.

Depreciation. Depreciation is provided on the written-down value ("**WDV**") method and in accordance with the rates specified under Schedule XIV of the Companies Act, except assets acquired on lease are depreciated over the period of the lease; leasehold improvements are amortised over a period of lease; and intangible assets are amortised over a period of six years.

The following table provides the depreciation rates for our tangible assets as of December 31, 2011:

Assets	Annual Depreciation Rate
Motor Vehicles	25.89% on WDV
Furniture and Fixtures	18.10% on WDV
Office Equipment	13.91% on WDV
Computers	40.00% on WDV

Taxation. We provide for current taxes, comprising of income tax and wealth tax, as well as 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 recognised net of deferred tax assets, if any.

Tax rates applicable to us for the financial year 2012 are as follows:

Rate of Tax	30.00%
Surcharge on Tax at 5.0%	1.50%
Education Cess on Rate of Tax and Surcharge at 2.0% Secondary and Higher Education Cess on Rate of Tax and Surcharge at 1.0%	0.63% 0.315%
Total Tax Rate	**32.445%**

For a summary of tax benefits available to us, see "***Statement of Tax Benefits***".

Nine Months Ended December 31, 2011 Compared to Nine Months Ended December 31, 2010

Income. Our total income increased by 98.1% to ₹ 4,465.18 million for the nine months ended December 31 2011 from ₹ 2,253.77 million for the nine months ended December 31, 2010, primarily due to an increase in our sales and operating income.

Sales. Our sales increased to ₹ 4,036.24 million for the nine months ended December 31, 2011 from ₹ 1,236.20 million for the nine months ended December 31, 2010, primarily due to revenue recognised as a result of sales from Godrej Garden City, Ahmedabad of ₹ 1,814.19 million, Godrej Prakriti, Kolkata of ₹ 715.46 million, Godrej Frontier, Gurgaon of ₹ 589.94 million, Godrej Genesis, Kolkata of ₹ 349.55 million and Godrej Waterside, Kolkata of ₹ 333.58 million.

Operating Income. Our operating income increased to ₹ 162.14 million for the nine months ended December 31, 2011 from ₹ 0.74 million for the nine months ended December 31, 2010, primarily due to an increase in income from development projects from Godrej Anandam, Nagpur of ₹ 111.94 million and Godrej Platinum, Mumbai of ₹ 34.20 million for the nine months ended December 31, 2011 compared to nil for the for the nine months ended December 31, 2010.

Other Income. Our other income decreased to ₹ 266.80 million for the nine months ended December 31, 2011 from ₹ 1,016.83 million for the nine months ended December 31, 2010, primarily due to a decrease in profit on sale of long term investments to ₹ 182.76 million for the nine months ended December 31, 2011 from ₹ 898.61 million for the nine months ended December 31, 2010.

Total Expenditure. Our total expenditure increased to ₹ 3,480.16 million for the nine months ended December 31, 2011 from ₹ 1,180.81 million for the nine months ended December 31, 2010, primarily as a result of an increase in sales revenue resulting in a corresponding increase in cost of sales to ₹ 3,229.76 million for the nine months ended December 31, 2011 from ₹ 1,033.16 million for the nine months ended December 31, 2010.

Cost of Sales. Our cost of sales increased to ₹ 3,229.76 million for the nine months ended December 31, 2011, from ₹ 1,033.16 million for the nine months ended December 31, 2010, primarily as a result of an increase in sales revenue resulting in corresponding recognition of cost of sales.

Employee Remuneration and Benefits. Our employee remuneration and benefits increased by 87.4% to ₹ 45.88 million for the nine months ended December 31, 2011 from ₹ 24.49 million for the nine months ended December 31, 2010, primarily due to an increase in salaries, bonus, gratuity and allowances to ₹ 34.45 million for the nine months ended December 31, 2011 from ₹ 15.93 million for the nine months ended December 31, 2010 primarily as a result of an increase in the number of our employees to 330 as of December 31, 2011 from 232 employees as of December 31, 2010.

Administrative Expenses. Our administrative expenses increased by 55.7% to ₹ 133.30 million for the nine months ended December 31, 2011 from ₹ 85.60 million for the nine months ended December 31, 2010, primarily due to an increase in rent for our offices located at Mumbai to ₹ 19.87 million for the nine months ended December 31, 2011 from ₹ 13.26 million for the nine months ended December 31, 2010 and an increase in other operating expenses to ₹ 106.75 million for the nine months ended December 31, 2011 from ₹ 70.15 million for the nine months ended December 31, 2010.

Interest and Finance Charges (Net). Our interest and finance charges (net) increased to ₹ 43.39 million for the nine months ended December 31, 2011 from ₹ 9.56 million for the nine months ended December 31, 2010. Our total outstanding indebtedness increased to ₹ 20,001.58 million for the nine months ended December 31, 2011 from ₹ 8,704.96 million for the nine months ended December 31, 2010.

Depreciation. Our depreciation charge decreased by 0.6% to ₹ 27.82 million for the nine months ended December 31, 2011 from ₹ 27.99 million for the nine months ended December 31, 2010, as a result of reduction on account of leasehold improvements during the period.

Taxation. Our provision for taxes decreased by 1.4% to ₹ 321.89 million for the nine months ended December 31, 2011 from ₹ 326.59 million for the nine months ended December 31, 2010, primarily as a result of a decrease in current tax for the nine months ended December 31, 2011 to ₹ 325.49 million from ₹ 330.07 million for the nine months ended December 31, 2010. Our effective tax rates for the nine months ended December 31, 2011 and 2010 were 32.7% and 30.4%, respectively.

Profit After Tax and Minority Interest. Our profit after tax and minority interest decreased by 18.0% to ₹ 581.25 million for the nine months ended December 31, 2011 from ₹ 708.69 million for nine months ended December 31, 2010, as a result of the factors described above.

Financial Year 2011 Compared to Financial Year 2010

Income. Our total income increased by 43.2% to ₹ 5,589.10 million for the financial year 2011 from ₹ 3,903.84 million for the financial year 2010, primarily due to an increase in our sales income.

Sales. Our sales increased to ₹ 4,412.31 million for the financial year 2011 from ₹ 2,115.17 million for the financial year 2010, primarily due to revenue recognised as a result of sales from Godrej Garden City, Ahmedabad of ₹ 1,586.11 million, Godrej Prakriti, Kolkata of ₹ 1,088.10 million and Godrej Frontier, Gurgaon of ₹ 740.88 million.

Operating Income. Our operating income decreased by 67.1% to ₹ 102.73 million for the financial year 2011 from ₹ 311.81 million for the financial year 2010, primarily due to a decrease in income from development projects from Godrej Coliseum, Mumbai to ₹ 3.44 million for the financial year 2011 from ₹ 196.82 million for the financial year 2010 as the project was almost complete during the financial year 2010, and a decrease in compensation received from project to ₹ 50.00 million for the financial year 2011 from ₹ 70.00 million for the financial year 2010.

Other Income. Our other income decreased by 27.3% to ₹ 1,074.06 million for the financial year 2011 from ₹ 1,476.86 million for the financial year 2010, primarily due to a decrease in profit on sale of long term investments to ₹ 898.61 million for the financial year 2011 from ₹ 1,398.55 million for the financial year 2010 which was partially offset by an increase in dividends received to ₹ 87.12 million for the financial year 2011 from ₹ 24.42 million for the financial year 2010 and an increase in interest income to ₹ 80.39 million for the financial year 2011 from ₹ 50.43 million for the financial year 2010.

Total Expenditure. Our total expenditure increased by 55.2 % to ₹ 3,538.07 million for the financial year 2011 from ₹ 2,280.15 million for the financial year 2010, primarily as a result of an increase in sales revenue resulting in a corresponding increase in cost of sales to ₹ 3,239.99 million for the financial year 2011 from ₹ 2,000.27 million for the financial year 2010.

Cost of Sales. Our cost of sales increased by 62.0% to ₹ 3,239.99 million for the financial year 2011 from ₹ 2,000.27 million for the financial year 2010, primarily as a result of an increase in sales revenue resulting in corresponding recognition of cost of sales.

Employee Remuneration and Benefits. Our employee remuneration and benefits decreased by 31.6% to ₹ 73.13 million for the financial year 2011 from ₹ 106.85 million for the financial year 2010, primarily due to a decrease in salaries, bonus, gratuity and allowances to ₹ 61.50 million for the financial year 2011 from ₹ 98.66 million for the financial year 2010, partially offset by an increase in contribution to provident and other funds to ₹ 11.63 million for the financial year 2011 from ₹ 8.19 million for the financial year 2010. We had 248 and 197 permanent employees as of March 31, 2011 and 2010, respectively.

Administrative Expenses. Our administrative expenses increased by 6.9% to ₹ 151.20 million for the financial year 2011 from ₹ 141.49 million for the financial year 2010, primarily due to an increase in other operating expenses to ₹ 112.68 million for the financial year 2011 from ₹ 101.18 million for the financial year 2010, partially offset by a decrease in rent for our offices located at Mumbai to ₹ 22.69 million for the financial year 2011 from ₹ 28.09 million for the financial year 2010.

Interest and Finance Charges (Net). Our interest and finance charges (net) increased to ₹ 34.00 million for the financial year 2011 from ₹ 5.54 million for the financial year 2010. Our total outstanding indebtedness increased to ₹ 9,448.60 million for the financial year 2011 from ₹ 7,095.81 million for the financial year 2010.

Depreciation. Our depreciation charge increased by 52.9% to ₹ 39.73 million for the financial year 2011 from ₹ 25.99 million for the financial year 2010. The increase was due to depreciation on addition to fixed assets of ₹ 226.01 million during the financial year 2011.

Taxation. Our provision for taxes increased by 63.0% to ₹ 622.42 million for the financial year 2011 from ₹ 381.81 million for the financial year 2010, primarily as a result of an increase in current tax to ₹ 628.09 million for the financial year 2011 from ₹ 379.68 million for the financial year 2010. Our effective tax rates for the financial years 2011 and 2010 were 30.3% and 23.5%, respectively.

Profit After Tax and Minority Interest. Our profit after tax and minority interest increased by 6.5% to ₹ 1,308.56 million for the financial year 2011 from ₹ 1,228.12 million for the financial year 2010, as a result of the factors described above.

Financial Year 2010 Compared to Financial Year 2009

Income. Our total income increased by 53.5% to ₹ 3,903.84 million for the financial year 2010 from ₹ 2,542.84 million for the financial year 2009, primarily due to an increase in our sales, operating income and other income.

Sales. Our sales increased by 14.2% to ₹ 2,115.17 million for the financial year 2010 from ₹ 1,851.85 million for the financial year 2009, primarily due to revenue recognised as a result of sales from Godrej Waterside, Kolkata of ₹ 870.21 million, Godrej Garden City, Ahmedabad of ₹ 455.09 million and Godrej Woodsman Estate, Bengaluru of ₹ 195.71 million.

Operating Income. Our operating income increased by 55.3% to ₹ 311.81 million for the financial year 2010 from ₹ 200.79 million for the financial year 2009, primarily due to an increase in income from development projects to ₹ 227.23 million for the financial year 2010 from ₹ 188.35 million for the financial year 2009 as a result of an increase in income from Godrej Coliseum Project, Mumbai to ₹ 196.82 million for the financial year 2010 from ₹ 123.04 million for the financial year 2009 and an increase in compensation received from project to ₹ 70.00 million for the financial year 2010 from ₹ 3.90 million for the financial year 2009.

Other Income. Our other income increased to ₹ 1,476.86 million for the financial year 2010 from ₹ 490.20 million for the financial year 2009, primarily due to an increase in profit on sale of long term investments to ₹ 1,398.55 million for the financial year 2010 from ₹ 419.90 million for the financial year 2009 and an increase in dividends received to ₹ 24.42 million for the financial year 2010 from ₹ 0.01 million for the financial year 2009.

Total Expenditure. Our total expenditure increased by 56.9 % to ₹ 2,280.15 million for the financial year 2010 from ₹ 1,453.49 million for the financial year 2009, primarily as a result of an increase in sales revenue resulting in a corresponding increase in cost of sales to ₹ 2,000.27 million for the financial year 2010 from ₹ 1,211.07 million for the financial year 2009, and an increase in administration expenses to ₹ 141.49 million for the financial year 2010 from ₹ 99.85 million for the financial year 2009.

Cost of Sales. Our cost of sales increased by 65.2% to ₹ 2,000.27 million for the financial year 2010 from ₹ 1,211.07 million for the financial year 2009, primarily as a result of an increase in sales revenue resulting in corresponding recognition of cost of sales.

Employee Remuneration and Benefits. Our employee remuneration and benefits increased to ₹ 106.85 million for the financial year 2010 from ₹ 37.51 million for the financial year 2009, primarily due to an increase in salaries, bonus, gratuity and allowances to ₹ 98.66 million for the financial year 2010 from ₹ 31.00 million for the financial year 2009. We had 197 and 164 permanent employees as of March 31, 2010 and 2009, respectively.

Administrative Expenses. Our administrative expenses increased by 41.7% to ₹ 141.49 million for the financial year 2010 from ₹ 99.85 million for the financial year 2009, primarily due to an increase in rent for our office located at Mumbai to ₹ 28.09 million for the financial year 2010 from ₹ 10.97 million for the financial year 2009 and an increase in other operating expenses to ₹ 101.18 million for the financial year 2010 from ₹ 75.76 million for the financial year 2009.

Interest and Finance Charges (Net). Our interest and finance charges (net) was ₹ 5.54 million for the financial year 2010 compared to ₹ 93.57 million for the financial year 2009. Our total outstanding indebtedness increased to ₹ 7,095.81 million for the financial year 2010 from ₹ 6,563.42 million for the financial year 2009.

Depreciation. Our depreciation charge increased to ₹ 25.99 million for the financial year 2010 from ₹ 11.48 million for the financial year 2009. The increase was due to depreciation on addition to fixed assets of ₹ 100.39 million during the financial year 2010.

Taxation. Our provision for taxes increased by 18.2% to ₹ 381.81 million for the financial year 2010 from ₹ 323.10 million for the financial year 2009, primarily as a result of an increase in current tax to ₹ 379.68 million for the financial year 2010 from ₹ 322.53 million for the financial year 2009. Our effective tax rates for the financial years 2010 and 2009 were 23.5% and 29.7%, respectively.

Profit After Tax. Our profit after tax and minority interest increased by 64.4% to ₹ 1,228.12 million for the financial year 2010 from ₹ 746.81 million for the financial year 2009, as a result of the factors described above.

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 development of our properties, working capital requirements and the acquisition of land and land development rights. We believe that we will have sufficient capital resources from our operations, net proceeds of this offering of equity shares and other financings from banks, financial institutions and other lenders to meet our capital requirements for at least the next 12 months.

Cash Flows

The table below summarises our cash flows for the nine months ended December 31, 2011 and 2010 and the financial years 2011, 2010 and 2009:

	Nine Months Ended December 31,		**Financial Year**		
₹ in millions	**2011**	**2010**	**2011**	**2010**	**2009**
Net cash generated from / (used in) operating activities	(11,306.89)	(3,049.05)	(4,202.72)	(3,423.85)	(3,717.05)
Net cash generated from / (used in) investing activities	355.20	1,455.91	2,743.13	(527.61)	435.66
Net cash generated from / (used in) financing activities	10,146.17	1,275.43	1,994.93	4,637.71	3,463.84

Operating Activities. Net cash used in operating activities was ₹ 11,306.89 million for the nine months ended December 31, 2011, and consisted of net profit before taxation and minority interest of ₹ 985.01 million, as adjusted for a number of non-cash items, primarily profit on sale of investments of ₹ 182.76 million, interest income of ₹ 72.50 million, as adjusted for changes in working capital, such as increases in inventories, sundry debtors and loans and advances of ₹ 9,067.41 million, ₹ 1,293.03 million and ₹ 1,446.62 million, respectively, which were partially offset by an increase in current liabilities and provisions of ₹ 43.52 million.

Net cash used in operating activities was ₹ 3,049.05 million for the nine months ended December 31, 2010, and consisted of net profit before taxation and minority interest of ₹ 1,072.96 million, as adjusted for a number of non-cash items, primarily profit on the sale of investments of ₹ 898.61 million, dividends of ₹ 67.77 million and interest income of ₹ 48.75 million, as adjusted for changes in working capital, such as increases in inventories and loans and advances of ₹ 2,290.64 million and ₹ 2,687.12 million, respectively, which were partially offset by an increase in current liabilities and provisions of ₹ 1,280.24 million and decrease in sundry debtors of ₹ 827.71 million.

Net cash used in operating activities was ₹ 4,202.72 million for the financial year 2011, and consisted of net profit before taxation and minority interest of ₹ 2,051.03 million, as adjusted for a number of non-cash items, primarily profit on sale of investments of ₹ 898.61 million, interest income of ₹ 80.39 million and dividends of ₹ 87.12 million, as adjusted for changes in working capital, such as increases in inventories, sundry debtors and loans and advances of ₹ 2,903.58 million, ₹ 1,101.53 million and ₹ 2,014.08 million, respectively, which were partially offset by an increase in current liabilities and provisions of ₹ 1,304.58 million.

Net cash used in operating activities was ₹ 3,423.85 million for the financial year 2010, and consisted of net profit before taxation and minority interest of ₹ 1,623.69 million, as adjusted for a number of non-cash items, primarily profit on sale of investments of ₹ 1,398.55 million, interest income of ₹ 50.43 million, as adjusted for changes in working capital, such as increases in inventories, sundry debtors and loans and advances of ₹ 2,492.28 million, ₹ 412.45 million and ₹ 952.09 million, respectively.

Investing Activities. Net cash generated from investing activities was ₹ 355.20 million for the nine months ended December 31, 2011, primarily from sale of investments of ₹ 1,080.06 million and interest received of ₹ 88.63 million, which were partially offset by purchase of investments of ₹ 785.45 million and purchase of fixed assets of ₹ 38.62 million.

Net cash generated from investing activities was ₹ 1,455.91 million for the nine months ended December 31, 2010, primarily from sale of investments of ₹ 2,443.17 million, dividends received of ₹ 67.77 million and interest received of ₹ 50.33 million, which were partially offset by purchase of investments of ₹ 1,042.18 million and purchase of fixed assets of ₹ 64.20 million.

Net cash generated from investing activities was ₹ 2,743.13 million for the financial year 2011, primarily from sale of investments of ₹ 3,895.60 million, dividends received of ₹ 87.12 million and interest received of ₹ 56.90 million, which were partially offset by purchase of investment of ₹ 1,059.93 million and purchase of fixed assets of ₹ 237.64 million.

Net cash used in investing activities was ₹ 527.61 million for the financial year 2010, primarily due to purchase of investments of ₹ 2,978.56 million and purchase of fixed assets of ₹ 70.04 million which were partially offset by sale of investments of ₹ 2,456.62 million and interest received of ₹ 38.37 million.

Financing Activities. Net cash generated from financing activities was ₹ 10,146.17 million for nine months ended December 31, 2011, primarily from proceeds received from secured term loans of ₹ 6,912.40 million, proceeds from unsecured borrowings of ₹ 2,927.41 million, acceptance of fixed deposits of ₹ 1,038.46 million and loan from companies of ₹ 667.00 million, which were partially offset by a decrease in secured working capital loans of ₹ 992.28 million and payment of dividend (inclusive of tax) of ₹ 365.32 million.

Net cash generated from financing activities was ₹ 1,275.43 million for the nine months ended December 31, 2010, primarily as a result of increase in secured working capital loans of ₹ 1,320.80 million and proceeds from unsecured borrowings of ₹ 1,184.74 million, which were partially offset by repayment of secured term loans of ₹ 971.50 million and payment of dividend (inclusive of tax) of ₹ 325.81 million.

Net cash generated from financing activities was ₹ 1,994.93 million for the financial year 2011, primarily as a result of increase in secured working capital loans of ₹ 2,904.22 million and proceeds from unsecured borrowings of ₹ 615.29 million, which were partially offset by repayment of secured term loans of ₹ 1,257.80 million, payment of dividend (inclusive of tax) of ₹ 325.81 million.

Net cash generated from financing activities was ₹ 4,637.71 million for the financial year 2010, primarily as a result of proceeds from the issue of share capital of ₹ 4,285.65 million, proceeds from unsecured borrowings of ₹ 631.80 million and acceptance of fixed deposits of ₹ 748.94 million, which were partially offset by a decrease in secured working capital loans of ₹ 682.25 million, payment of dividend (inclusive of tax) of ₹ 176.72 million, and repayment of secured term loans of ₹ 146.10 million.

Investments

We hold equity shares of quoted and unquoted companies and we have investments in units of debt mutual funds. Our total investments were ₹ 29.79 million, ₹ 1,576.09 million, ₹ 141.41 million, ₹ 2,078.07 million and ₹ 0.03 million as of December 31, 2011 and 2010 and March 31, 2011, 2010 and 2009, respectively.

Indebtedness

The following table summarises the principal amounts of our consolidated secured and unsecured long-term indebtedness and subordinated debt obligations as of the dates indicated:

(₹ in Millions)	**As of December 31,**		**As of March 31,**		
	2011	**2010**	**2011**	**2010**	**2009**
Secured Loans:					
1% Secured Redeemable Optionally Convertible Debenture	215.60	215.60	215.60	215.60	215.60
Cash Credit / Working Capital Demand Loan	3,196.62	2,605.48	4,188.90	1,284.68	1,966.93
Term Loans	7,985.80	1,359.70	1,073.40	2,331.20	2,477.30
Unsecured Loans:					
Fixed Deposits	1,878.47	824.05	840.01	748.94	-
Banks	6,039.90	3,700.13	3,130.69	2,515.39	1,883.59
Companies	667.00	-	-	-	20.00
Others	18.19	-	-	-	-
Total	**20,001.58**	**8,704.96**	**9,448.60**	**7,095.81**	**6,563.42**

There are certain restrictive covenants in the arrangements we have entered into with our lenders, including:

- being required to send an intimation for creating, assuming or incurring any additional long-term indebtedness;
- maintaining, in favour of the lender, a margin between the value of mortgaged property and the balance due to the lender, as the lender may stipulate from time to time;
- being required to obtain prior consent of certain of our lenders for effecting any change in our ownership, control and management;
- being restricted from creating any further charges or encumbrances over mortgaged property;
- our project-specific companies being restricted from paying dividends in certain cases; and
- our project-specific companies being required to obtain prior consent of the lenders for creating or incurring any additional indebtedness or to amend their respective memoranda of articles of association**.**

See "***Risk Factors — Our indebtedness and the restrictive covenants imposed upon us in certain debt facilities could restrict our ability to conduct our business and grow our operations, which would adversely affect our financial condition and results of operations***" for further details.

Contingent Liabilities

The following table provides our contingent liabilities as of December 31, 2011:

Matters	**As of December 31, 2011** ***(₹ in Millions)***
Uncalled amount of ₹ 80 and ₹ 30 on 70 and 75 partly paid shares respectively of Tahir Properties Limited	0.01
Claims against our Company not acknowledged as debts represents cases filed by parties in the consumer forum, Civil Courts and high courts and disputed by our Company as advised by our advocates. In the opinion of the management the claims are not sustainable	30.64
Claims against our Company under labour laws for disputed cases	1.99
Letter of credit opened by banks on behalf of our Company	51.36
Guarantees given by banks, counter-guaranteed by our Company	258.18
Claims against our Company under the Bombay Stamps Act, 1958	14.85
Other claims against our Company not acknowledged as debts	3.93
Claims against the Company under the Income Tax Act, appeal preferred to Commissioner of Income Tax (Appeals)	140.54
Claims against the Company under the Sales Tax Act, Appeal preferred to the Joint Commissioner of Commercial Taxes (Appeals)	12.13

Related Party Transactions

We have engaged in the past, and may engage in the future, in transactions with related parties, including with our affiliates and certain key management members on an arm's length basis. Such transactions could be for the joint development of land, provision of services, purchase and sale of goods, lease of assets or property, sale or purchase of equity shares or entail incurrence of indebtedness. For details of our related party transactions, see ***"Financial Statements"***.

Seasonality

Our operations may be adversely affected by difficult working conditions during monsoons that restrict our ability to carry on construction activities and fully utilise our resources. Otherwise, we generally do not believe that our business is seasonal.

Off-Balance Sheet Commitments and Arrangements

We do not have any off-balance sheet arrangements, derivative instruments, swap or other hedging transactions or relationships with affiliates or other unconsolidated entities or financial partnerships that would have been established for the purpose of facilitating off-balance sheet arrangements.

Quantitative and Qualitative Disclosures About Market Risk

Market risk is the risk of loss related to adverse changes in market prices, including interest rate risk and commodities risk. We are exposed to commodity risk, interest rate risk and credit risk in the normal course of our business.

Interest Rate Risk

We currently have floating rate indebtedness for our working capital requirements and our term loans 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 December 31, 2011, ₹ 12,740.51 million of the principal amount of our indebtedness consisted of floating rate indebtedness. Upward fluctuations in interest rates increase the cost of both existing and new debts and affect our results of operations. It is likely that in the current financial year and in future periods our borrowings will rise substantially given our planned expenditures. We do not currently use any derivative instruments or hedging arrangements to modify the nature of our exposure to floating rate indebtedness or our deposits so as to manage our interest rate risk.

Commodity Risk

We are exposed to market risk with respect to the prices of raw materials and components used in our developments. These commodities are primarily steel and cement. The costs of such raw materials and components are subject to fluctuation based on commodity prices. In the normal course of business, we purchase raw materials and components either on a purchase order basis or pursuant to supply agreements. We currently do not have any hedging arrangements in respect of any of the commodities we purchase.

Credit Risk

We are exposed to credit risk on sales receivables owed to us by our customers. If our customers do not pay us in a timely manner, or at all, we may have to make provisions for or write-off such amounts.

Inflation

India has experienced high inflation for the last 12 to 18 months, which has led to an increase in interest rates, adversely affecting both sales and margins.

Competitive Conditions

We expect competition in the real estate development sector from existing and potential competitors to intensify. For details, see **"*Risk Factors*"** and **"*Our Business*"**.

INDUSTRY OVERVIEW

The information in this section is derived from various government publications and industry sources. Neither we nor any other person connected with the 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. Industry and government publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends, accordingly investment decisions should not be based on such information.

Overview of the Indian Economy

India is the world's largest democracy by population size and one of the fastest growing economies in the world. India had an estimated GDP on a purchasing power parity basis of approximately US$4.46 trillion in 2011, making it the fourth largest economy in the world after the European Union, the United States of America and China. In the past, India experienced rapid economic growth, with its GDP growing at a compound annual growth rate ("**CAGR**") of 8.2% between 2009 and 2011. This growth trajectory was impeded in 2009, as a result of the global economic downturn. *(Source: CIA World Factbook)*.

The Indian economy in 2011 was characterised by economic growth and steady fiscal consolidation. This growth was broad and encompassed growth in agriculture, manufacturing and private services. Inflation has continued to be high despite decreasing markedly from the start of the financial year 2011. *(Source: Ministry of Finance, Economic Survey 2010-2011)*

The Real Estate Sector in India

The real estate sector in India can broadly be divided into residential, commercial and retail segments. The real estate sector is highly fragmented and consists of unorganised entities such as local builders as well as corporate developers and builders.

The total FDI inflow in the real estate sector in India was ₹ 4,690 million for the first quarter of 2011, representing approximately 3.0% of India's overall FDI investments. *(Source: Cushman & Wakefield and Global Real Estate Institute, Embracing Change, Scripting the Future of Real Estate, 2011)*

Key Demand Drivers

Demographic Changes

Demand for real estate in India is fuelled by various demographic trends such as a rising population, increased urbanisation, the growth of nuclear families and an increase in the working population. Urbanisation and popularity of nuclear families are primarily driven by employment opportunities arising in urban areas thereby increasing the demand for residential housing.

The table below indicates those cities which are expected to have a population higher than four million people by 2030:

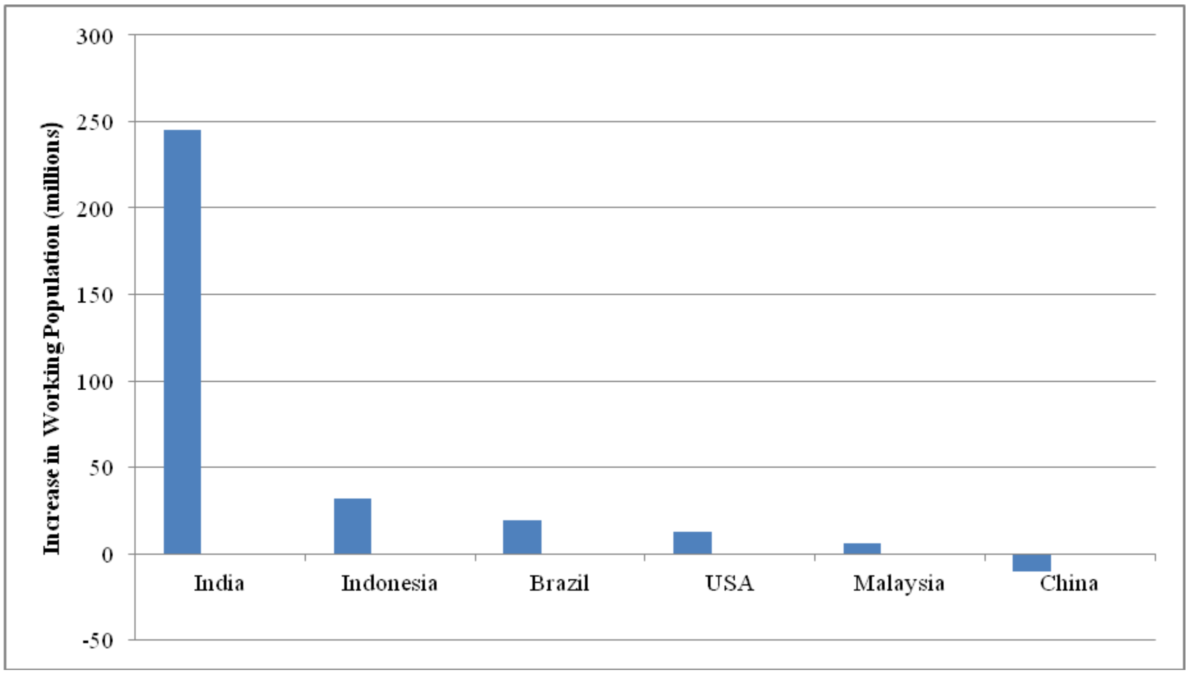
City	Population in 2030 (in millions)	GDP in 2030** (US$ billions)	Per capita GDP in 2030** (US$ thousands)
Mumbai (MMR)	33.0	265	8.0
Delhi (NCT)*	25.9	296	11.4
Kolkata	22.9	169	7.4
Chennai	11.0	73	6.6
Bengaluru	10.1	127	12.6
Pune	10.0	76	7.6
Hyderabad	9.8	67	6.8
Ahmedabad	8.4	68	8.1
Surat	7.4	53	7.2

City	Population in 2030 (in millions)	GDP in 2030** (US$ billions)	Per capita GDP in 2030** (US$ thousands)
Jaipur	5.4	24	4.5
Nagpur	5.2	37	7.1
Kanpur	4.2	15	3.6
Vadodara	4.2	35	8.5

**National Capital Territory, excludes Noida, Gurgaon, Greater Noida, Faridabad and Ghaziabad*
*** 2008 prices*

(Source: Adapted from McKinsey Global Institute, India's Urban Awakening: Building Inclusive Cities, Sustaining Economic Growth, April 2010)

The chart below illustrates the increase in the working population for the countries specified by 2030:



(Source: United Nations Population Base)

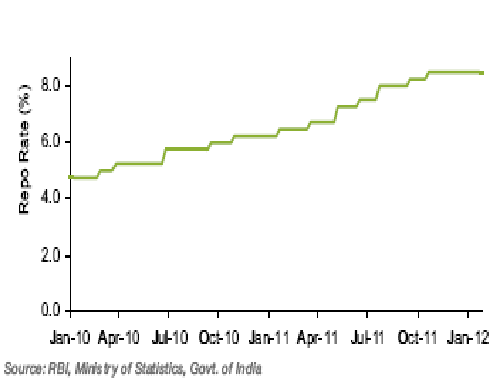
Economic Growth in India

Economic growth leads to an increase in the per capita GDP and income is a key driver for real estate demand.

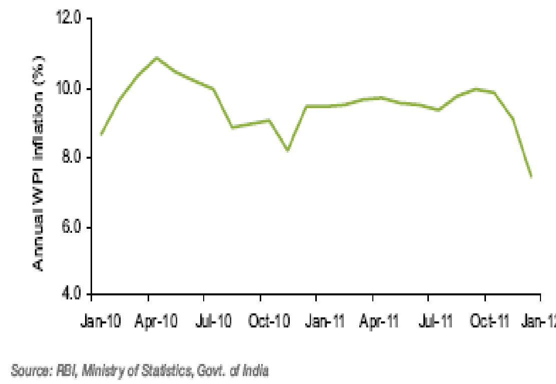
Availability of Financing

The residential real estate sector is dependent on the availability of financing for potential customers. The charts below illustrate the recent trends of interest rates and high inflation:

Interest rates have peaked



High inflation with recent moderating trends



(Source: RBI, Ministry of Statistics)

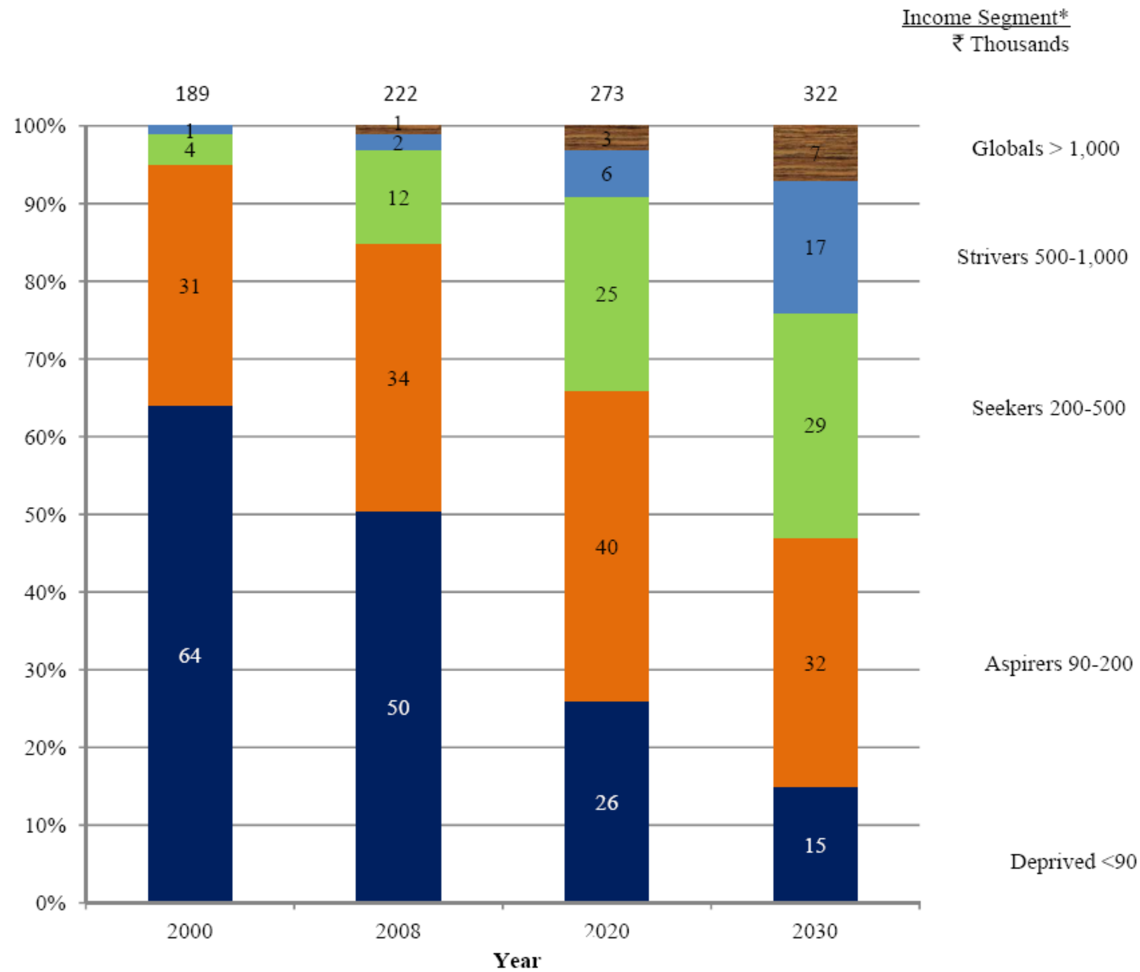
Urbanisation in India

The Indian economy is growing and cities are critical to future economic growth and development. India's urban population grew from a reported 290 million in 2001 to an estimated 340 million in 2008. It is expected that 70.0% of net new employment will be generated in Indian cities, as opposed to rural India. Between 700 and 900 million square metres of commercial and residential space is estimated to be built every year for the next 20 years to satisfy such demand. India's urban population grew from a reported 290 million in 2001 to an estimated 340 million in 2008. It is projected that the urban population in India will increase to 590 million by 2030. Urbanisation is expected to spread out across India, impacting almost every state. India is expected to have five large states (Tamil Nadu, Gujarat, Maharashtra, Karnataka and Punjab) that will have the majority of their population living in cities, as opposed to rural areas. The table below illustrates the populations and urbanisation rates of various states in India, for the periods indicated:

	Urbanisation Rate, 2008 % of Total Population	Urban Population (Millions)	Urbanisation Rate, 2030 % of Total Population	Urban Population (Millions)
Tamil Nadu	53.0	35.4	67.0	53.4
Gujarat	44.0	25.2	66.0	48.0
Maharashtra	44.0	47.9	58.0	78.1
Karnataka	37.0	21.6	57.0	39.6
Punjab	36.0	10.0	52.0	19.0
Haryana	31.0	7.5	45.0	15.2
West Bengal	29.0	25.8	40.0	41.5
Kerala	28.0	9.7	41.0	15.8
Andhra Pradesh	28.0	23.4	46.0	45.5
Madhya Pradesh	25.0	17.2	32.0	29.9
Jharkhand	25.0	7.6	31.0	12.0
Rajasthan	24.0	15.5	33.0	29.5
Chhattisgarh	24.0	5.8	40.0	11.7
Uttar Pradesh	21.0	39.2	26.0	68.9
Odisha	18.0	7.0	24.0	11.0
Himachal Pradesh	12.0	0.8	20.0	1.8
Bihar	9.0	8.9	17.0	21.3

(Source: Adapted from McKinsey Global Institute, India's Urban Awakening: Building Inclusive Cities, Sustaining Economic Growth, April 2010)

As India's cities expand, its economic makeup will also change. In 2008, urban GDP accounted for 58.0% of India's overall GDP. It is expected that by 2030 India's urban economies will generate nearly 70.0% of India's GDP. India's fast growing and relatively productive cities are expected to drive a near fourfold increase in India's per capita income between 2008 and 2030. The number of households earning less than ₹ 90,000 per year will fall below 20.0% for the first time in Indian history, while the number of middle-class households, those earning between ₹ 200,000 and ₹ 1,000,000 per year, will increase more than fourfold nationwide from 32 million to 147 million. The chart below represents all Indian households by income bracket between 2000 and 2030. *(Source: Adapted from McKinsey Global Institute, India's Urban Awakening: Building Inclusive Cities, Sustaining Economic Growth, April 2010)*



The third and fourth segments, counting from the bottom of each bar, represent the middle class of India.

(Source: Adapted from McKinsey Global Institute, India's Urban Awakening: Building Inclusive Cities, Sustaining Economic Growth, April 2010)

Residential Real Estate Development in India

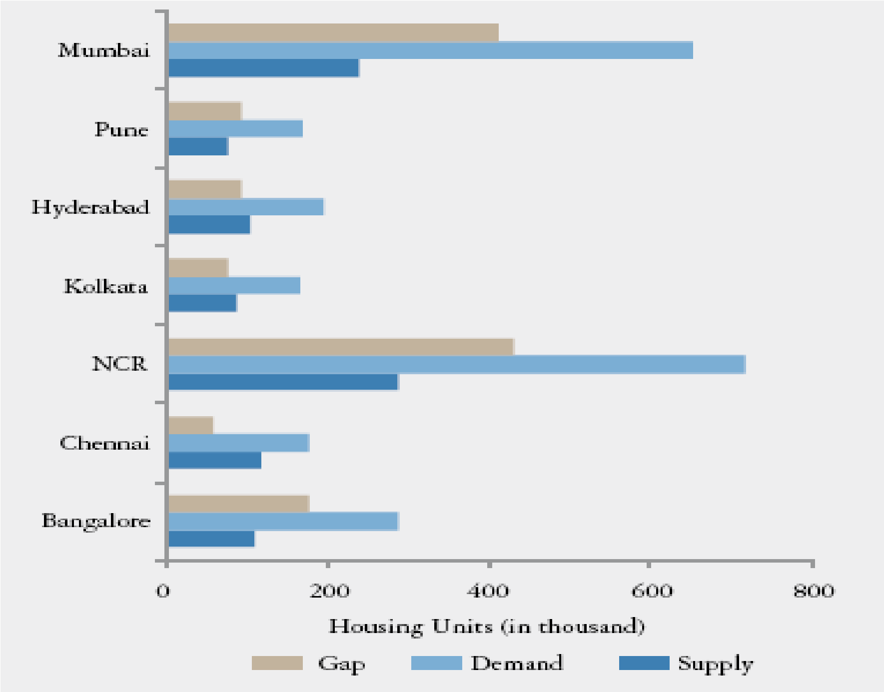
Following the global economic crisis, the residential real estate sector showed signs of recovery in India's major cities such as improved buyer confidence and increasing prices. In other residential markets, consumer demand was consistent and fueled demand, but consumer growth was affected by factors such as rising interest rates, inflation and socio-political conflicts. Due to high construction costs and inflation, several developers raised property prices, thereby impacting the sector. The RBI also increased home loan interest rates, which affected real estate consumers.

Overall, higher prices and rising financing costs resulted in a decrease of property sales throughout 2011. *(Source: Cushman & Wakefield and Global Real Estate Institute, Embracing Change, Scripting the Future of Real Estate, 2011)*

In 2011, several residential markets reached their previous peak levels in terms of property prices as a result of increasing construction costs and anticipated demand. Premium markets in southern Mumbai and Central Delhi surpassed previous peak-level prices. On the supply side, during the first half of 2011, the residential sector registered a number of project launches across the seven major cities of India. A study of the major Indian cities revealed that markets such as the National Capital Region ("**NCR**"), Bengaluru, Chennai and Kolkata had high consumer demand in comparison to Pune and Hyderabad. *(Source: Cushman & Wakefield and Global Real Estate Institute, Embracing Change, Scripting the Future of Real Estate, 2011)*

The chart below illustrates the demand and supply projections between 2011 and 2015 for the seven major cities in India:

Demand-Supply Projections 2011-2015



(Source: Cushman & Wakefield and Global Real Estate Institute, Embracing Change, Scripting the Future of Real Estate, 2011)

Housing shortages remain one of the biggest challenges for India. The property market in India from 2011 to 2015 is likely to witness a demand for 3.94 million housing units, growing at a CAGR of 11.0%. Furthermore, the total housing demand across the top seven cities in India from 2011 to 2015 is expected to be approximately 2.36 million units. Of this total demand, the mid-range housing segment is expected to drive the maximum demand of 45.0%. The majority of developers in the top seven cities are concentrating on this segment which would help reduce the supply-demand gap. The supply of residential units is expected to be highest in the cities of Mumbai and the NCR in order to cater to the rising demand. Despite the expected increase in the demand and supply, the gap in Tier-I cities is likely to remain substantial, with demand exceeding supply by at least 2.5 times between 2011 and 2015. *(Source: Cushman & Wakefield and Global Real Estate Institute, Embracing Change, Scripting the Future of Real Estate, 2011)*

The anticipated demand is likely to increase property prices, especially in markets such as the NCR and Bengaluru where the demand-supply gap is high. Capital values in Tier-II cities are likely to appreciate at a slower pace compared to the Tier-I cities during this time period.

As the residential market improved in 2010, developers in the Tier-II cities launched several high-end projects in order to take advantage of the positive market. These projects are expected to be completed in the next few years, and consequently these cities are likely to experience a substantial supply in the high-end segment. As a result, the appreciation of high end property in these markets may experience a gradual slowdown. *(Source: Cushman & Wakefield and Global Real Estate Institute, Embracing Change, Scripting the Future of Real Estate, 2011)*

Commercial Real Estate Development in India

The global economic crisis significantly affected office space demand in 2009, which experienced a decline of 50.0% compared to 2008. This resulted in an increase in vacant units and a decrease in rent prices across most Indian cities. In 2010, the start of new projects by real estate companies increased transaction activities. Demand for commercial office space in 2010 was approximately 3.96 million sq. ft., which was 67.0% higher than in 2009. *(Source: Cushman & Wakefield and Global Real Estate Institute, Embracing Change, Scripting the Future of Real Estate, 2011)*

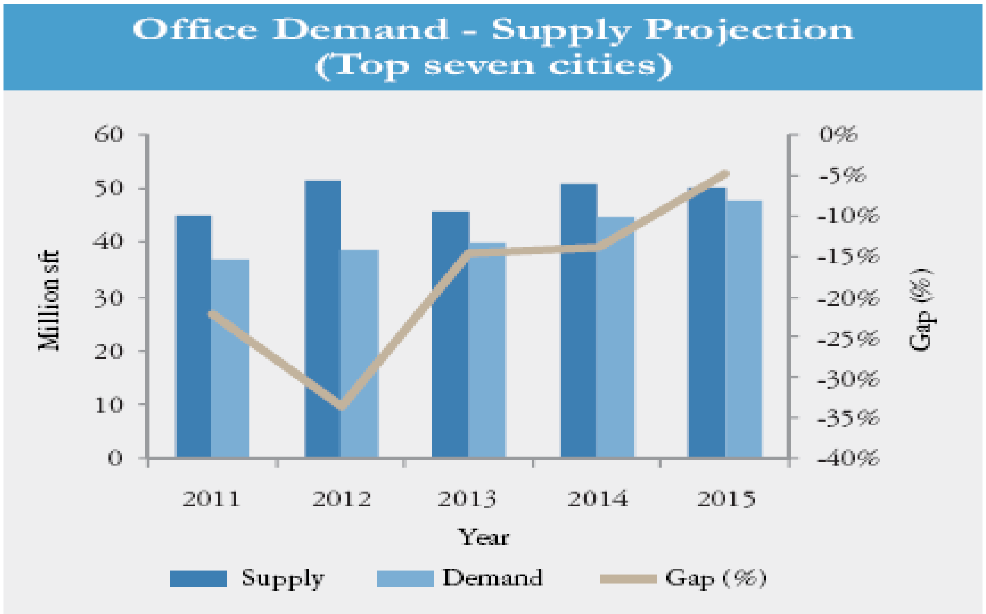
During the first six months of 2011, supply was approximately 17.4 million sq. ft., a decrease of 21.0% from the same period in 2010. The overall demand for 2011 is estimated to be 37 million sq. ft., registering a small decrease from 2010. *(Source: Cushman & Wakefield and Global Real Estate Institute, Embracing Change, Scripting the Future of Real Estate, 2011)*

The cumulative pan-India commercial real estate demand between 2011 and 2015 is expected to be 267 million sq. ft. Bengaluru, the NCR and Mumbai are expected to constitute 47.0% of the total demand. Cities such as Chennai, Kolkata and Hyderabad are expected to experience an increase in demand between 2011 and 2015. *(Source: Cushman & Wakefield and Global Real Estate Institute, Embracing Change, Scripting the Future of Real Estate, 2011)*

Bengaluru is expected to constitute a significant portion of the demand for office space between 2011 and 2015, where demand is anticipated to exceed supply. *(Source: Cushman & Wakefield and Global Real Estate Institute, Embracing Change, Scripting the Future of Real Estate, 2011)*

The majority of office units expected to become operational are in Mumbai, followed by the NCR and Chennai, between 2011 and 2015. Cities such as Bengaluru, Kolkata and Pune are expected to experience a negative supply growth, primarily due to there being fewer planned projects by developers. Chennai is expected to experience the highest real estate activity with the highest demand and supply growth between 2011 and 2015. Kolkata is expected to have the lowest demand and supply growth due to slowing supply between 2011 and 2015. *(Source: Cushman & Wakefield and Global Real Estate Institute, Embracing Change, Scripting the Future of Real Estate, 2011)*

The chart below illustrates the projected office demand and supply between 2011 and 2015 in the seven major cities of India.



(Source: Cushman & Wakefield and Global Real Estate Institute, Embracing Change, Scripting the Future of Real Estate, 2011)

Retail Real Estate Development in India

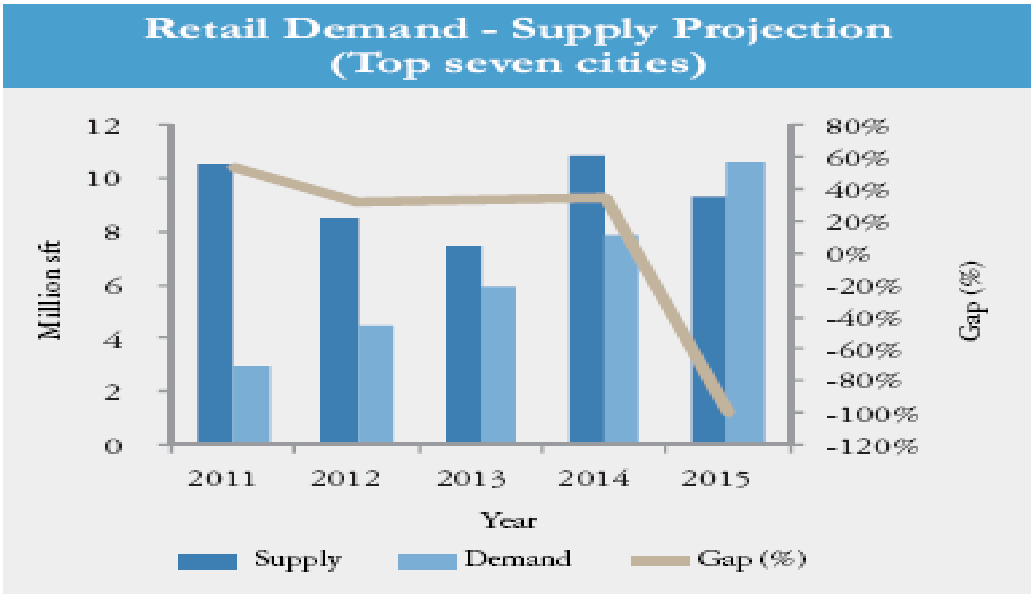
The retail real estate market in India is developing and becoming increasingly complex and competitive with consolidations and competition in pricing and promotional activities. New international, national and regional entities are expanding and reaching out to a new set of customers in India.

The majority of upcoming developments are expected to be launched with approximately 60.0% to 62.0% occupancy levels. Total demand for retail space in malls across India between 2011 and 2015 is expected to reach approximately 57 million sq. ft. at a CAGR of 37.0%. Additional retail space demand on the main streets is expected to be approximately 112.57 million sq. ft.

The share of the total demand for retail space in malls across India in the top seven cities is expected to be approximately 55.9% between 2011 and 2015. The NCR, Bengaluru and Mumbai will continue to dominate the market accounting for 43.0% of the demand. The NCR is likely to experience the highest cumulative demand for retail space in malls at approximately 11.8 million sq. ft by 2015 followed by Bengaluru with demand expected to be 6.6 million sq. ft.

The oversupply of retail space is expected to prevail until 2014. However, if organised retail growth continues steadily, the demand is expected to increase above the supply levels in 2015. The oversupply of retail space is likely to be more pronounced in Pune as the city is likely to experience substantial supply of real estate between 2011 and 2015. *(Source: Cushman & Wakefield and Global Real Estate Institute, Embracing Change, Scripting the Future of Real Estate, 2011)*

The chart below illustrates the projection for retail demand and supply across the top seven cities in India:



(Source: Cushman & Wakefield and Global Real Estate Institute, Embracing Change, Scripting the Future of Real Estate, 2011)

Outlook for Key Markets

Mumbai

In the residential real estate sector, most new launches in 2012 will be seen in the mid-ranged segment in suburban and peripheral locations in Mumbai. Rentals are expected to remain stable in the near term. *(Source: Marketbeat Residential Snapshot, Mumbai, India, Cushman & Wakefield, Q4 2011)* In the commercial sector improved infrastructure facilities with better connectivity has resulted in an increased demand in the locations along the western express highway, such as Bandra-Kurla Complex. This demand was mainly driven by the banking and financial sectors, followed by the information technology and information technology enabled services sectors. *(Source: Marketbeat Office Snapshot, Mumbai, India, Cushman & Wakefield, Q4 2011)*

The NCR

In the residential sector newly launched projects are mainly in the mid-range segment and concentrated in the suburban micro-markets. However, demand from end-users was very low due to high interest rates and high price points. Capital values are expected to remain stable in the short term while rental values may remain stable or experience a marginal increase driven by the possibility of an increase in commercial demand in Gurgaon and Noida. *(Source: Marketbeat Residential Snapshot, NCR, India, Cushman & Wakefield, Q4 2011)* The region has experienced a steady increase in the use of office space over the last few years due to demand from the information technology and information technology enabled services sector, insurance, consulting and engineering firms. In the short term, steady demand is expected to keep rental values stable across most of the markets, except the suburban locations where values may appreciate marginally in the medium term due to high demand. *(Source: Marketbeat Office Snapshot, NCR, India, Cushman & Wakefield, Q4 2011)*

Ahmedabad

Traditionally, demand in Ahmedabad has been driven by industrial investments in the region. The level of office space absorption in 2011 was 38.0% higher as compared to 2010. Demand was primarily driven by the banking sector and small enterprises. Developers may face difficulty in the near term with high mortgage rates and liquidity difficulties which could put further pressure on supply. The central business district areas may witness an increase in rentals. However, rentals are expected to remain stable across other micro markets with moderate demand. The demand for rentals is generally expected to remain stable across markets with moderate demand and vacancy levels in the short term. *(Source: Marketbeat Office Snapshot, Ahmedabad, India, Cushman & Wakefield, Q4 2011)*

Kolkata

In the residential real estate sector, Kolkata experienced demand for housing units mainly in the mid-range segment. Customers were cautious of interest rates and increasing inflation. Rental and capital values are expected to remain stable in the short term and may appreciate during the second half of 2012. *(Source: Marketbeat Residential Snapshot, Kolkata, India, Cushman & Wakefield, Q4 2011)* During the last quarter of 2011, the Kolkata market experienced balanced supply and use of office space, with regional companies primarily driving this demand. The demand in this sector is expected to increase in the short term given the improvement of economic growth in the country. However, uncertainties over the land acquisition policy of the state government will be a concern and may lead to increased land prices. *(Source: Marketbeat Office Snapshot, Kolkata, India, Cushman & Wakefield, Q4 2011)*

Bengaluru

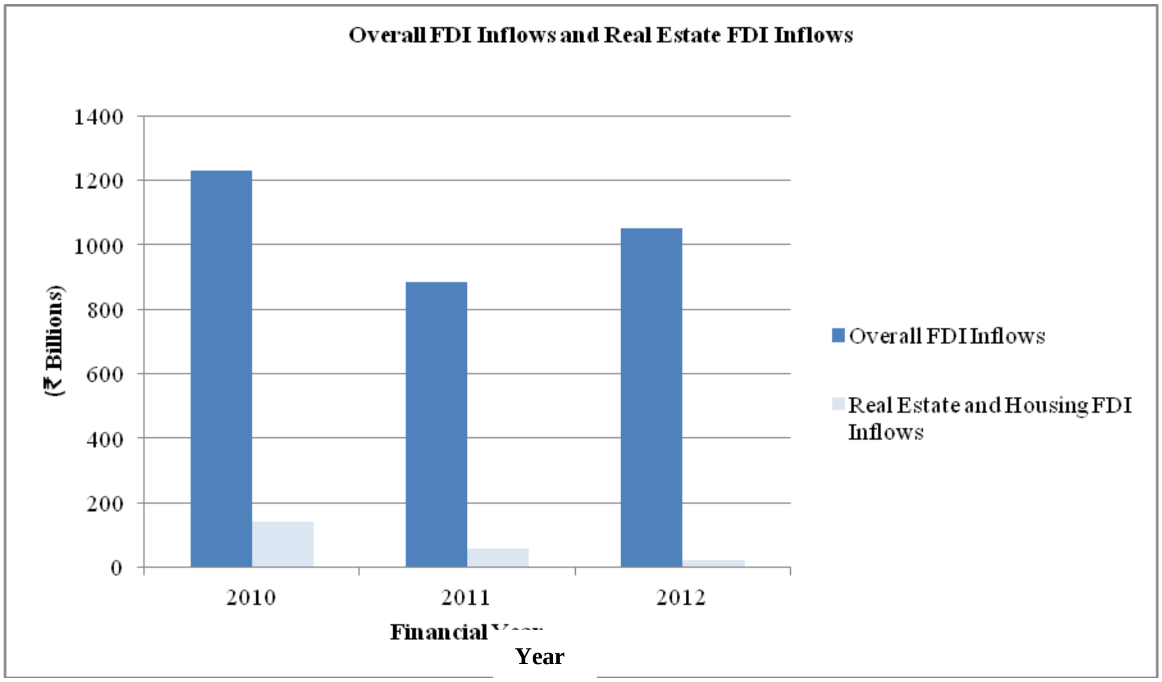
Demand for residential units in the real estate market remained subdued during the fourth quarter of 2011 and was affected by prevailing interest rates and inflation. However, there were a significant number of project launches during the year resulting in a wide range of options available to customers. This is expected to result in revised price propositions in the market for the first few months of 2012. *(Source: Marketbeat Residential Snapshot, Bangalore, India, Cushman & Wakefield, Q4 2011)* The demand for office space in the fourth quarter of 2011 remained strong against macro economic uncertainties resulting in higher absorption as compared to earlier periods. Absorption levels are expected to continue to remain high for the first half of 2012. *(Source: Marketbeat Office Snapshot, Bangalore, India, Cushman & Wakefield, Q4 2011)*

FDI Investment and the Private Equity Market

India experienced a positive trend regarding foreign investment in the first half of 2011. *(Source: Cushman & Wakefield and Global Real Estate Institute, Embracing Change, Scripting the Future of Real Estate, 2011)* Total FDI inflows for the period April 2011 to November 2011 were US$22.84 billion, an increase of 63.00%, compared to the same period in 2010. *(Source: Department of Industrial Policy and Promotion, Fact Sheet on Foreign Direct Investment, November 2011)*

The Indian real estate sector is also one of the more prominent FDI attracting sectors in India, having recorded inflows in excess of US$10.89 billion between April 2000 and November 2011. *(Source: Department of Industrial Policy and Promotion, Fact Sheet on Foreign Direct Investment, November 2011)*

The chart below illustrates overall FDI inflows and real estate and housing FDI inflows:



(Source: Department of Industrial Policy and Promotion, Fact Sheet on Foreign Direct Investment, November 2011)

Private Equity Market

Several real estate companies opted for private equity funding in 2011, mainly due to difficulties raising funds from traditional sources such as banks and public equity. Despite no significant growth in the number of transactions, the value of transactions being committed increased. As of August 2011, a total of approximately ₹ 36,290 million had been recorded as private equity investment in the real estate industry. The amount of investment raised through private equity during the first half of 2011 surpassed the total investment during the same period in 2010. Bengaluru was the top recipient of private equity funding with the highest amount of investment during the first half of 2011, followed by Mumbai and the NCR. *(Source: Cushman & Wakefield and Global Real Estate Institute, Embracing Change, Scripting the Future of Real Estate, 2011)*

OUR BUSINESS

Overview

We are one of the leading real estate development companies in India, with a focus on developing residential projects. We currently have real estate development projects in 12 cities in India. We undertake our projects through our in-house team of professionals and by partnering with companies with domestic and international operations. Our consolidated total income for the nine months ended December 31, 2011 and the financial year 2011 was ₹ 4,465.18 million and ₹ 5,589.10 million, respectively. Our consolidated profit for the nine months ended December 31, 2011 and the financial year 2011 was ₹ 581.25 million and ₹ 1,308.56 million, respectively.

Our Promoters and Promoter Group collectively held 83.79% of our outstanding Equity Shares as of December 31, 2011. We are a part of the Godrej group. We believe that the "Godrej" brand commands a strong resonance among the populace in India and is associated with trust, quality and reliability. The "Godrej" brand was valued at US$ 2.8 billion in October 2010 by Interbrand, a London-based brand consultant. The real estate business has been identified as one of the key growth businesses of the Godrej group.

We believe that we have high standards of corporate governance and have an eminent Board of Directors. Our Board and management periodically review our internal policies and business practices and have been instrumental in building our reputation in the real estate sector in India. Being part of the Godrej group and our strong business practices and reputation in the real estate sector in India enable us to enter into and execute our joint development model.

We commenced development of our first project in 1991. We initially concentrated our operations in the Mumbai Metropolitan Region and later expanded to include other cities such as Pune, Bengaluru, Kolkata, Hyderabad, Ahmedabad, Mangalore, Chandigarh, Chennai, Kochi, the NCR and Nagpur. As of December 31, 2011, we had completed a total of 31 projects comprising 21 residential and 10 commercial projects, aggregating to approximately 7.59 million sq. ft. of Developable Area and 4.84 million sq. ft. of Saleable Area.

We focus primarily on residential projects. In our residential project portfolio, we develop projects that are focused on the higher end to mid-level range of the real estate market. Residential projects constituted 80.5% of our total Saleable Area as of December 31, 2011. In addition, we also have certain commercial projects at various stages of development, which constituted approximately 19.5% of our total Saleable Area as of December 31, 2011. Two of these projects, The Trees, Mumbai and Godrej Alpine, Mangalore, are mixed-use projects.

Our total Land Reserves, as of December 31, 2011, aggregated to approximately 75.8 million sq. ft. of Developable Area and 69.1 million sq. ft. of Saleable Area, which includes our Ongoing Projects and Forthcoming Projects.

The table below provides our estimated Developable Area and Saleable Area for our Ongoing Projects and Forthcoming Projects by city as of December 31, 2011:

City	Estimated Developable Area (in million sq. ft.)*	Estimated Saleable Area* (in million sq. ft.)	Number of Projects
Ahmedabad	24.00	23.00	1
Bengaluru	2.84	2.26	5
Chandigarh	0.68	0.48	1
Chennai	3.23	2.51	1
Gurgaon	3.30	2.86	2
Hyderabad	10.02	7.53	2
Kochi	2.52	2.24	1
Kolkata	6.83	6.28	3

City	Estimated Developable Area (in million sq. ft.)*	Estimated Saleable Area* (in million sq. ft.)	Number of Projects
Mangalore	0.99	0.89	1
Mumbai Metropolitan Region	5.70	5.52	8
Nagpur	2.76	2.76	1
Pune	12.97	12.78	3
Total	**75.84**	**69.10**	**29****

* Total Developable/Saleable Area, irrespective of the revenue, profit or area sharing arrangement.
** In addition to these 29 projects, we have entered into an agreement dated January 18, 2012 with Kamla Landmarc Property Leasing and Finance Private Limited to undertake a residential redevelopment project in Sahakar Nagar, Mumbai.

In addition, we have entered into memoranda of understanding with our Godrej & Boyce and Godrej Agrovet Limited for developing land owned by them in various regions across India. The land covered under these memoranda of understanding does not form a part of our Land Reserves and is detailed in the table below:

Group Company	City	Area (in acres)
Godrej & Boyce	Mohali (Chandigarh)	75
Godrej Agrovet Limited	Bengaluru	100
TOTAL		175

We have also entered into a memorandum of understanding with Godrej & Boyce to develop its lands in Vikhroli, Mumbai, under which we are entitled to receive 10.0% of the money received for the sales of units as a development manager fee, with the total area of land to be developed pursuant to the memorandum of understanding not yet determined. In addition, we have entered into an agreement with Godrej & Boyce to develop the Godrej Platinum, Mumbai project, under which we are entitled to 10.0% of the money received for the sales of units as a development manager fee. Godrej Platinum, Mumbai is located on land which is the subject matter of the memorandum of understanding with Godrej & Boyce to develop its lands in Vikhroli, Mumbai. For details of these memoranda of understanding and agreement, see "— ***Memoranda of Understanding, Limited Liability Partnership Agreements and Development Agreement with Godrej Group Companies***".

We generally use the "joint development model" for developing properties, which entails entering into a development agreement with the owner(s) of the land parcel(s) sought to be developed and developing the project jointly with the land owner. We are, typically, entitled to share in the development property, or a share of the revenue or profits generated from the sale of the developed property, or a combination of both entitlements. We believe that the joint development model allows us to be more capital efficient and hold fewer assets.

Additionally, in some projects, we offer and sell equity interests in project-specific companies to long-term investors. This business model enables us to hold fewer assets, be more capital efficient, achieve higher returns on our investments in the projects and undertake more projects without investing large amounts of capital towards the purchase of land. We are thereby able to limit our risk through project diversification while maintaining significant management control over these projects. As of December 31, 2011, eight of our projects were being undertaken with long-term equity partners who have invested in project-specific companies.

In addition, we undertake the development of projects as a project development manager on a fee basis, which we believe allows us to reduce the number of responsibilities with regard to such projects that we are required to handle including, for example, the responsibility to obtain approval in relation to such development.

We are also exploring opportunities to form partnerships with private equity funds where we will look at opportunities to purchase land with pre-committed capital from such investors for capital intensive projects.

We have incorporated a wholly-owned subsidiary and have established a dedicated internal team that is focused on undertaking residential redevelopment projects in Mumbai. We have begun developing one such residential redevelopment project as on date.

Our Strengths

We believe that the following are our principal strengths:

Established brand name

We are a part of the Godrej group, among India's oldest and most prominent corporate houses. The diversified business interests of the Godrej group include manufacturing locks and safes, precision equipments, fabrications, white goods, furniture, machine tools and a range of personal care products along with the real estate sector, which has been identified as one of the key growth businesses of the Godrej group. We believe that the "Godrej" brand is instantly recognisable amongst the populace in India due to its long presence in the Indian market, the diversified businesses in which the Godrej group operates and the trust we believe it has developed over the course of its operating history.

We believe that the strength of the "Godrej" brand and its association with trust, quality and reliability help us in many aspects of our business, including entering into joint development agreements, land sourcing, expanding to new cities and markets, formulating business associations and building relationships with our customers, service providers, process partners, investors and lenders.

We have received several business awards and recognitions, including being featured among "India's Top 10 Builders" in 2011 for the sixth consecutive year by Construction World and being named "One of the Top 200 Power Brands" for 2011-2012 by the Indian Council for Market Research. We were also named a "Most Trusted Company" in the real estate industry and named as "India's Best Marketed Real Estate Company 2011" by 4Ps Business and Marketing in association with the India Council for Market Research. We received the "Branding and Marketing Award" in relation to the promotion of the Godrej Garden City, Ahmedabad project at the Asian Leadership Awards 2011 and won the awards for "Best Emerging National Developer" and "Best Residential Project – South" at the Zee Business RICS Real Estate Awards in 2011 for our Godrej Woodsman Estate project. Additionally, one of our completed projects, the Planet Godrej, Mumbai project was named "Best Residential Property" for the western region of India at the CNBC AWAAZ CRISIL CREDAI awards in 2009. We also received the award for "Best Marketing Campaign of the Year" for the Godrej Prakriti, Kolkata project at the CMO Asia Awards in 2011.

Strong project pipeline

As of December 31, 2011, we had Land Reserves of approximately 75.8 million sq. ft. of Developable Area and 69.1 million sq. ft. of Saleable Area across 12 cities. As of December 31, 2011, we had 12 Ongoing Projects comprising 39.9 million sq. ft. of Developable Area and 37.5 million sq. ft. of Saleable Area. Additionally, we have 17 Forthcoming Projects comprising 35.9 million sq. ft. of Developable Area and 31.6 million sq. ft. of Saleable Area. We also have one residential redevelopment project that is located in Sahakar Nagar, Mumbai. During the nine months ended December 31, 2011, we entered into definitive agreements for the development of nine projects. We have also entered into memoranda of understanding with Godrej & Boyce and Godrej Agrovet Limited, to develop approximately 175 acres of land owned by them and have entered into a memorandum of understanding with Godrej & Boyce to develop its lands in Vikhroli, Mumbai on a project development manager fee basis where the total area of land to be developed pursuant to the memorandum of understanding is not yet determined.

Most of our Land Reserves are located in or near prominent or growing cities across India, such as Mumbai, Pune, Bengaluru, Ahmedabad and Kolkata and include land parcels which we own directly, and land parcels over which we have development rights through definitive agreements or memoranda of understanding.

Track record of joint development projects and strategic investors

We typically undertake projects through the joint development model and enter into development agreements with land owners to develop their land. These agreements provide us with the development rights to land in exchange for a pre-determined portion of revenues, profits or developable area generated from the project. This model reduces our upfront land-acquisition costs and reduces our risk exposure to the project. As of December 31, 2011, 86.2% and 87.8% of our total Developable Area and Saleable Area, respectively, were being undertaken as joint development projects.

Additionally, in some projects, we offer and sell equity interests in project-specific companies to long-term investors. This business model enables us to hold fewer assets, be more capital efficient, achieve higher returns on our investments in the projects and undertake more projects without investing large amounts of capital towards the purchase of land. We are thereby able to limit our risk through project diversification while maintaining significant management control over these projects. As of December 31, 2011, eight of our projects were being undertaken with long-term equity partners who have invested in project-specific companies.

We also undertake the development of projects as a project development manager on a fee basis. In these projects, we have little or no capital investments. For example, we have entered into an agreement with Godrej & Boyce for the development of Godrej Platinum, a project located at Vikhroli, Mumbai, pursuant to which we are entitled to receive 10.0% of the money received for the sales of units as a development manager fee. For details of this agreement, see "— ***Memoranda of Understanding, Limited Liability Partnership Agreements and Development Agreement with Godrej Group Companies***".

Strong management, eminent Board of Directors, good corporate governance practices and strong employee base

Our Board includes a combination of executive as well as independent Directors with significant business experience. Our Board is committed to implementing best practices of corporate governance and achieving a high level of transparency, with a focus on investors' best interests and the maximisation of shareholder value. Our management personnel are qualified professionals, many of whom have spent a number of years in various functions of real estate development. Our Board and management periodically review our internal policies and business practices and have been instrumental in building our reputation in the real estate sector in India. We believe that our strong business practices and reputation in the real estate sector enable us to execute our joint development model of developing projects across India. Additionally, our Board and our key management personnel have been instrumental in our growth and progress.

We believe that a motivated and empowered employee base is the key to our competitive advantage. Our employee value proposition is based on a strong focus on employee development, an exciting work culture, empowerment and competitive compensation. Our "e-MBA" program is our primary internal human resource initiative for the development of talent. Various processes such as the "360-Degree Feedback" and "Talent Management Process" and other learning initiatives are supported by various online systems customised for us to foster employee development. We believe that the skills and diversity of our employees give us the flexibility to adapt to the future needs of our business. We were the highest ranked real estate developer in the "India's Best Companies to Work For" study in 2009 and 2011 conducted by the Great Places to Work Institute and the Economic Times and the second-highest ranked real estate developer in the same study in 2010, which we believe reflects the strength of our human resource practices.

Financial strength

Our financial strength is a result of several factors. As a Godrej group company and one of the leading real estate development companies in India, we believe we are able to obtain funding at relatively low interest rates. In addition, we have a track record of stable revenues and profitability. Our consolidated total income for the nine months ended December 31, 2011 and the financial year 2011 was ₹ 4,465.18 million and ₹ 5,589.10 million, respectively. Our consolidated profit for the nine months ended December 31, 2011 and the financial year 2011 was ₹ 581.25 million and ₹ 1,308.56 million, respectively. As of January 31, 2012, our market capitalisation was ₹ 46,038.14 million. As of December 31, 2011, we had also secured equity investments for eight of our project-specific companies and may continue to diversify our project capital and other expenditures by seeking to obtain funding in one or more of our project-specific companies, which we believe would allow us to reduce risk and increase capital efficiency.

Our Business Strategies

The following are the key elements of our business strategy:

Enhance and leverage the "Godrej" brand and the group resources

One of our key strengths is our affiliation and relationship with the Godrej group and the strong brand equity generated from the "Godrej" brand name. We believe that our customers, vendors and members of the financial community perceive the "Godrej" brand to be that of a trusted provider of quality products and services.

We were actively involved in a group-wide branding initiative that was conducted by Interbrand, a London-based brand consultant. The real estate business has been identified as one of the key growth businesses of the Godrej group. Interbrand also conducted a branded business valuation exercise which measured the economic value added by the "Godrej" brand to our business and demonstrated how the "Godrej" brand could be used to attract future joint ventures and partners in order to build our pipeline of projects. We intend to continue to enhance and leverage the "Godrej" brand through strategic branding initiatives, consumer engagement programs and integrated marketing campaigns. In addition, our association with the Godrej group helps us leverage group resources including the land owned by other companies in the Godrej group.

Focus on developing residential projects in high growth urban areas and redevelopment projects in Mumbai

We believe that the growth opportunity for real estate development in India will be focused on residential developments aimed at India's rapidly growing middle class. Our residential developments are typically located in high growth urban areas located in or near prominent or growing cities across India. By developing these residential projects, we believe we will be able to attract the rapidly growing number of middle and upper middle class home buyers in India. As of December 31, 2011, 80.5% of our Saleable Area comprised residential projects.

We have also incorporated a wholly-owned subsidiary, Godrej Projects Development Private Limited, and have established a dedicated internal team that is focused on undertaking residential redevelopment projects in Mumbai, which we expect will allow us to increase and diversify our market presence in the Mumbai area. We have entered into an agreement with Kamla Landmarc Property Leasing and Finance Private Limited to undertake a residential redevelopment project in Sahakar Nagar, Mumbai.

Build upon extensive portfolio of joint development projects and other innovative structures to optimise resources

We intend to leverage our established track record and existing relationships with land owners to pursue projects across high growth markets through innovative structures and maintain an asset-light portfolio. We intend to continue to develop most of our projects through joint development agreements with land owners and by partnering with long-term investors in project-specific companies. As of December 31, 2011, eight of our projects were being undertaken with long-term equity partners who have invested in project-specific companies. We will continue to explore opportunities to undertake projects with such investors on an ongoing basis. We believe this allows us to remain asset light while enabling us to focus on our key core functions of land sourcing, project execution and marketing as we expand our operations. In addition, we have diversified our execution model by undertaking the development of projects as a project development manager on a fee basis. We are also exploring opportunities to form partnerships with private equity funds where we will explore opportunities to purchase land with pre-committed capital from such investors for capital intensive projects. In addition, we have incorporated a wholly-owned subsidiary and have established a dedicated internal team that is focused on undertaking residential redevelopment projects in Mumbai.

Focus on execution

We intend to continue to scale up the size of our operations and our project teams. We recognise the importance of delivering quality projects on a timely basis. We intend to increase the scale of our business while staying focused on quality. Selective outsourcing of the development process enables us to undertake more projects and source best-in-class development partners, while optimally utilising our resources. We intend to continue to outsource activities such as design, architecture and construction to skilled partners. For example, we have commissioned Pelli Clarke

Pelli Architects, who have worked on prestigious projects around the world, such as the Petronas Towers in Kuala Lumpur, One Canada Square at Canary Wharf in London, the World Financial Center in New York City and the International Finance Center in Hong Kong, to master plan and design our development, The Trees, in Vikhroli, and we have commissioned them for designing the first commercial building within the project. In addition, we have commissioned Skidmore, Owings & Merrill LLP to design and provide us with a master plan for our Godrej Garden City, Ahmedabad project and pre-concept design for the GPL BKC Project, Mumbai. Additionally, we use Larsen & Toubro Limited and Shapoorji Pallonji & Company Limited as construction contractors for some of our projects.

We also use information technology to support our execution capabilities. We have adopted an online information management system for garnering competitive advantages and reducing risks associated with communication. We have partnered with Aconex to establish a robust communication and collaboration platform for all of our projects. We are exploring the deployment of construction technologies such as precast buildings and steel buildings for our mass housing projects and time-sensitive commercial projects, respectively. We use building information model systems for our complex projects. These technologies help us address execution-related risks with greater precision. 22 of our projects are currently operational on SAP. We have also implemented the Sales Force CRM system for managing leads and tracking customer interactions for two of our projects.

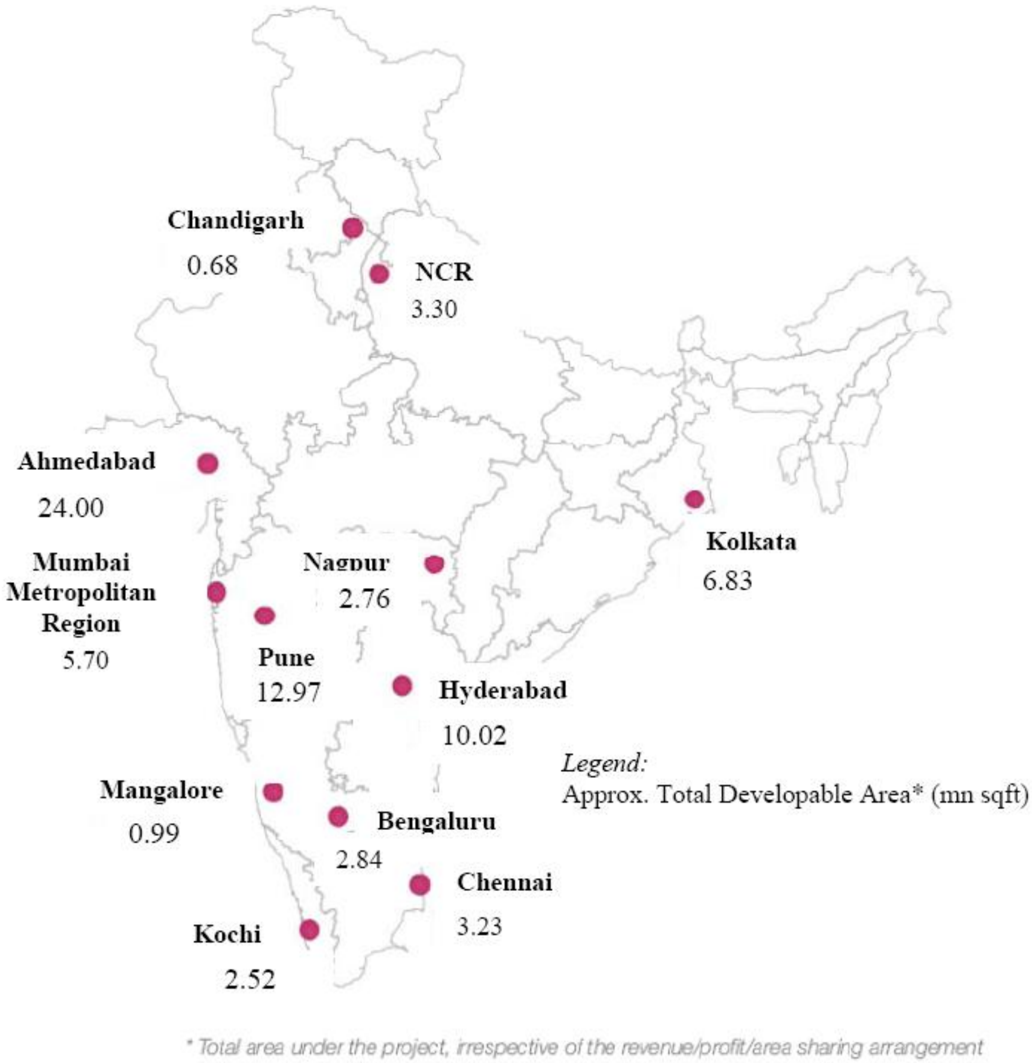
Focus on sustainable development

We have maintained a strong focus on sustainable development by meeting environmental parameters in site selection and planning, water efficiency, energy efficiency, material and indoor environmental quality. We are a founding member of the Indian Green Building Council, which is actively involved in promoting the green building concept in India with a vision to serve as a single point solutions provider and facilitator for green building activities in India. The Godrej Garden City, Ahmedabad project has been chosen as one among 17 projects around the world by the Climate Positive Development Program, which is a part of the Clinton Climate Initiative, to work towards being climate positive. The Godrej Garden City, Ahmedabad project seeks to achieve carbon emission levels of below zero through the use of economically viable innovations in buildings, generation of clean energy, waste and water management and transportation and outdoor lighting systems. The Godrej group oversees large mangrove holdings in Vikhroli and we have undertaken the "Godrej Good & Green" initiative to achieve certain environmental benchmarks by the year 2020.

We have implemented environmentally-friendly building concepts in many of our projects in line with leading global sustainability practices. The Godrej Waterside, Kolkata project has been certified as LEED Gold for its core and shell. The Godrej One, Mumbai project and the Godrej Eternia, Chandigarh project have been pre-certified as LEED Platinum for their core and shell and the Godrej Platinum, Bengaluru project has been pre-certified as Indian Green Building Council Green Homes Gold. The Godrej Palm Grove, Chennai project has been pre-certified as Indian Green Building Council Green Homes Gold. The Godrej Platinum, Mumbai project has been pre-certified platinum for its "B-type towers". As of December 31, 2011, 10 of our projects met the relevant LEED or Indian Green Building Council Green Homes standards for environmental performance. We are also committed to ensuring that each of our Ongoing Projects and Forthcoming Projects will be planned in a manner that enables it to receive a Leadership in Energy and Environmental Design ("**LEED**") green building certification.

Description of Our Business

The following map shows the cities in which our completed projects, Ongoing Projects and Forthcoming Projects are located:



Representational map; not to scale.
Total Developable Area is indicative of our Ongoing Projects and Forthcoming Projects only.

Completed Projects

The following table presents, as of December 31, 2011, the approximate Developable Area and Saleable Area of our completed projects.

Type of Property	Approximate Developable Area* (in million sq. ft.)	Percentage of Developable Area as per Type of Property	Approximate Saleable Area* (in million sq. ft.)	Percentage of Saleable Area as per Type of Property
Residential Projects	5.53	72.9	4.01	82.9
Commercial Projects	2.06	27.1	0.83	17.1
Total	**7.59**	**100.0**	**4.84**	**100**

* Total Developable/Saleable Area, irrespective of the revenue, profit or area sharing arrangement.

Ongoing Projects

The following table presents, as of December 31, 2011, the estimated Saleable Area of our Ongoing Projects:

Type of Property	Estimated Saleable Area* (in million sq. ft.)	Percentage of Saleable Area as per Type of Property
Residential Projects	28.58	76.3
Commercial Projects	8.89	23.7
TOTAL**	**37.47**	**100.0**

* Total Saleable Area, irrespective of the revenue, profit or area sharing arrangement.
** Includes our mixed-use developments.

Forthcoming Projects

The following table presents, as of December 31, 2011 the estimated Saleable Area of our Forthcoming Projects:

Type	Estimated Saleable Area* (in million sq ft)	Percentage of Saleable Area as per Type of Property
Residential Projects	27.05	85.5
Commercial Projects	4.58	14.5
TOTAL**	**31.63**	**100.0**

* Total Saleable Area, irrespective of the revenue, profit or area sharing arrangement.
** Includes our mixed-use developments.

Our Residential Projects

Our residential projects are primarily designed for the higher end to mid-level range of the real estate market and are designed with a variety of amenities such as security systems, sports and recreational facilities, play areas and electricity back-up. As of December 31, 2011, we had completed 21 residential projects in and around Mumbai, Pune and Bengaluru with nine residential Ongoing Projects and 15 residential Forthcoming Projects (including mixed-use projects).

The details of our completed residential projects are as follows:

Project Name	Location	Date of Completion (Financial Year)	Approximate Developable Area* (million sq. ft.)	Approximate Saleable Area* (million sq. ft.)
Godrej Park, Kalyan	Mumbai	1996	0.15	0.15
Godrej Edenwoods – Phases I and II, Thane	Mumbai	2000	0.4	0.17
Godrej Grenville Park, Ghatkopar	Mumbai	2001	0.06	0.03
Godrej Hill, Kalyan	Mumbai	2002	1.07	1.07
Godrej Sky Garden, Panvel	Mumbai	2002	0.31	0.31
Godrej Plaza, Panvel	Mumbai	2002	0.06	0.06
Godrej Indraprastha, Santacruz	Mumbai	2003	0.03	0.01
Godrej Bayview, Worli	Mumbai	2003	0.04	0.01
Godrej Sherwood, Shivaji Nagar, Wakdewadi	Pune	2003	0.09	0.02
Godrej La Vista, Shivaji Park	Mumbai	2006	0.01	0.01
Godrej Glenelg, Cuffe Parade	Mumbai	2007	0.05	0.01
Godrej Waldorf, Oshiwara	Mumbai	2007	0.04	0.02
Planet Godrej, Towers 1, 2, 3 and 4, Mahalaxmi	Mumbai	2008-2009	0.66	0.2
Godrej Woodsman Estate, Towers 1, 2 and 7 Bengaluru	Bengaluru	2009	0.76	0.6

Project Name	Location	Date of Completion (Financial Year)	Approximate Developable Area* (million sq. ft.)	Approximate Saleable Area* (million sq. ft.)
Godrej Eden Woods, Phase III (Regency Park Tower B, Thane	Mumbai	2009	0.09	0.04
Godrej GVD-I, Kalyan	Mumbai	2009	0.06	0.04
Godrej GVD-II, Kalyan	Mumbai	2010	0.12	0.09
Planet Godrej, Tower 5, Mahalaxmi	Mumbai	2010	0.17	0.05
Godrej Riverside, Kalyan	Mumbai	2010	0.28	0.28
Godrej Edenwoods – Phase III (Pine and Row House), Thane	Mumbai	2010	0.06	0.03
Godrej Woodsman Estate – Towers 3, 4, 5, 6, Bengaluru	Bengaluru	2010	1.02	0.81
TOTAL			**5.53**	**4.01**

*Total Developable/Saleable Area, irrespective of the revenue, profit or area sharing arrangement.

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

Project Name	Location	Expected Completion Date (Financial Year)	Estimated Developable* Area (in million sq. ft.)	Estimated Saleable Area** (in million sq. ft.)	Our Economic Interest
Our Residential Ongoing Projects					
Godrej Garden City[1]	Ahmedabad	2018	24.0	20.6	Area Based – 67.6%
Godrej Crest	Bengaluru	2013	0.09	0.065	Revenue Based – 59.0%
Godrej Platinum	Bengaluru	2014	0.85	0.60	GPL – 49.0%, Other Investor has Preferential Dividend Rights
Godrej Frontier	Gurgaon	2014	1.26	0.82	Revenue Based – 70.0%
Godrej Prakriti[1]	Kolkata	2016	3.29	2.71	GPL – 51.0%
The Trees[2]	Mumbai	2017	2.83	0.40	Profit Based – 60.0%
Godrej Edenwoods	Mumbai	2012	0.04	0.03	Profit Based – 50.0% (from 85.0% of revenue for this project)
Godrej Platinum	Mumbai	2016	0.60	0.60	Development Manager Fee – 10.0% of Revenue (Net Sales),
Godrej Anandam	Nagpur	2017	2.76	2.76	Development Manager Fee – ₹ 400.00 / Sq. Ft. to 784,790 Sq. Ft., Revenue Based for Remaining Area: First 1,000,000 Sq. Ft. – 62.0%, Next 1,000,000 Sq. Ft. – 57.0%[3]
Our Residential Forthcoming Projects					

Project Name	Location	Expected Completion Date (Financial Year)	Estimated Developable* Area (in million sq. ft.)	Estimated Saleable Area** (in million sq. ft.)	Our Economic Interest
Godrej Gold County	Bengaluru	2015	0.40	0.40	Revenue Based – 60.0%
Tumkur Road - Sanjay Khan	Bengaluru	2016	1.09	0.79	Revenue Based – 78.0%
Electronic City	Bengaluru	2015	0.40	0.40	Development Manager Fee – 11.0% of Revenue
Godrej Palm Grove	Chennai	2017	3.23	2.51	Area Based – 70.0% (for 12.57 acres), 68.0% (for 4.82 acres)[3], GPL holds 51.0% Equity in the Project
Godrej Summit	Gurgaon	2016	2.04	2.04	Area Based – 65.0%, GPL Holds 51.0% Equity in Project
Godrej & Boyce Moosapet	Hyderabad	2016	2.83	2.22	Profit Based – 35.0%
Godrej Oasis[1, 5]	Hyderabad	2017	7.19	4.87	100.0% of Profits
Kochi-I Project	Kochi	2017	2.52	2.24	Revenue Based – 70.0%
Godrej Alpine[2]	Mangalore	2016	0.99	0.64	Area Based for Residential Area – 71.5%
Kalyan Township[1,4]	Mumbai	2018	0.60	0.48	Revenue Based – 95.0%
Godrej Serenity	Mumbai	2015	0.15	0.15	Revenue Based – 50.0%
Godrej Palm Springs	Mumbai	2015	0.10	0.10	Area Based – 47.5%
Godrej & Boyce Lawkim, Thane	Mumbai	2015	0.38	0.27	Profit Based – 32.0%
Bhugaon Township[1]	Pune	2018	11.8	9.44	Share in Project-Specific Company – 11.09%, Development Manager Fee – ₹ 162.00 / Sq. Ft., Profit Sharing if Profits Exceed Certain Threshold
Godrej Horizon	Pune	2015	0.67	0.50	Profit Based – 51.0%

* Total Developable Area, irrespective of residential or commercial demarcation and revenue, profit or area sharing arrangement.
** Total Saleable Area, irrespective of the revenue, profit or area sharing arrangement.

1: Primarily a residential project, with a portion of commercial Saleable Area.
2: Mixed-use project: also included in Ongoing/Forthcoming Commercial Projects, as the case may be.
3: Revenue/area share used is until a threshold selling price per sq. ft. We receive shares of the incremental revenue above the pre-agreed threshold.
4: We are in the process of acquiring the land. Five percent of the revenues will be paid to the aggregator.
5: We have applied for permission to convert the commercial Saleable Area of this project to residential Saleable Area.

In addition, we have entered into an agreement dated January 18, 2012 with Kamla Landmarc Property Leasing and Finance Private Limited to undertake a residential redevelopment project in Sahakar Nagar, Mumbai.

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

Godrej Garden City, Ahmedabad:

Godrej Garden City is a township development planned in Ahmedabad. It is located in Jagatpur village in the northwest region of Ahmedabad and is located within the Ahmedabad Municipal Corporation administrative limits. The project is expected to feature a clubhouse, full-time security and a mix of apartments, villas and row houses. It is located approximately 1.8 kilometres from Sarkhej-Gandhinagar highway, 14 kilometres from the nearest airport, 20 kilometres from the nearest railway station and 20 kilometres from Gandhinagar. This project is one of 17 projects worldwide of the Climate Positive Development Program that is a part of the Clinton Climate Initiative. In 2011, the estimated Developable Area for this development was reduced from 40.4 million sq. ft. to 24.0 million sq. ft. and the percentage of the total area comprised of residential area increased from 65.0% to 90.0% as a result of a change in the regulations for residential townships promulgated by the State of Gujarat. As of December 31, 2011, approximately 3.75 million sq. ft. of the project had been sold. The project is expected to be completed in the financial year 2018. We have entered into an agreement dated April 15, 2008 for grant of development rights for 250 acres of land. Of this, 203 acres of land have been acquired and the remainder is in the process of being obtained by counterparties.

Godrej Frontier, Gurgaon

Godrej Frontier is a residential development located in Gurgaon. It is located near National Highway 8 in residential sector 80. It is located approximately 25 kilometres from Indira Gandhi International Airport. The project is expected to feature three-bedroom and four-bedroom homes in addition to 19 penthouses. It is also located adjacent to a golf course project located near Karnal Lake and is in close proximity to a proposed metro station. The project is expected to include a health club, jogging track, swimming pool, gymnasium, indoor games area and a variety of landscaping features. As of December 31, 2011, approximately 0.8 million sq. ft. of the project had been sold. The project is expected to be completed in the financial year 2014.

Godrej Prakriti, Kolkata:

This is a residential project on B. T. Road in the Northern part of Kolkata, with a Developable Area of 3.29 million sq. ft. The project is expected to feature landscaped gardens, a clubhouse and a mix of two-bedroom and three-bedroom units. The project is located approximately two kilometres from the Sodepur railway station and 15 kilometres from the international airport and has access to an expressway. As of December 31, 2011, 1.23 million sq. ft. of the project had been sold. This project will be developed in phases and is expected to be completed in the financial year 2016.

Our Commercial Projects

Our commercial projects include IT parks, retail space and office complexes. As of December 31, 2011, we had completed 10 commercial projects in and around Mumbai, Pune and Kolkata, with six commercial Ongoing Projects and six commercial Forthcoming Projects (including mixed-use projects). The details of our completed commercial projects are as follows:

Project Name	Location	Date of Completion (Financial Year)	Approximate Developable Area* (million sq. ft.)	Approximate Saleable Area** (million sq. ft.)
M.G.S.M., Bandra	Mumbai	1997	0.03	0.01
Godrej Millennium, Koregaon Road	Pune	2000	0.12	0.04
Godrej Eternia B and C, Shivaji Nagar, Wakdewadi	Pune	2003	0.31	0.08
Godrej Avanti, Shankarsheth Road	Pune	2003	0.02	0.01

Project Name	Location	Date of Completion (Financial Year)	Approximate Developable Area* (million sq. ft.)	Approximate Saleable Area** (million sq. ft.)
Godrej Castlemaine, Bund Garden	Pune	2004	0.29	0.16
Godrej Coliseum, Phases I and II, Sion	Mumbai	2007	0.22	0.06
Godrej Eternia – A, Shivaji Nagar, Wakdewadi	Pune	2009	0.26	0.07
Godrej Waterside, Salt Lake City, Sector V - Phase 1	Kolkata	2010	0.62	0.36
Godrej Coliseum, Phase III, Sion	Mumbai	2010	0.17	0.04
Godrej Eternia – C (10th Floor), Shivaji Nagar, Wakdewadi	Pune	2010	0.02	0.00
TOTAL			**2.06**	**0.83**

* Total Developable/Saleable Area, irrespective of the revenue, profit or area sharing arrangement.

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

Project Name	Location	Expected Completion Date (Financial Year)	Estimated Developable Area (in million sq. ft.)*	Estimated Saleable Area (in million sq. ft.)	Our Economic Interest
Our Commercial Ongoing Projects					
Godrej Garden City[4]	Ahmedabad	2018	24.00	2.4	Area Based – 67.6%
Godrej Eternia	Chandigarh	2012	0.68	0.48	GPL Owns 51.0% Equity in Project-Specific Company, Revenue Based – 44.5% to 47.0%[1]
Godrej Prakriti[4]	Kolkata	2016	3.29	0.42	GPL Owns 51.0% Equity in Project-Specific Company
Godrej Genesis	Kolkata	2018	1.34	1.34	GPL Owns 51.0% Equity in Project-Specific Company, Area Based – 62.0%
Godrej Waterside	Kolkata	2012	2.20	1.81	GPL Owns 51.0% Equity in Project-Specific Company, Area Based – 61.0%
The Trees[2]	Mumbai	2017	2.83	2.43	Profit Based – 60.0%
Our Commercial Forthcoming Projects					
Godrej Oasis[4, 6]	Hyderabad	2017	7.19	0.44	100.0% of Profits
Godrej Alpine[2]	Mangalore	2016	0.99	0.25	Revenue Based – 71.5% for Commercial Area
GPL BKC Project	Mumbai	2015	1.00[3]	1.00	Profit Based – 50.0%
Kalyan Township[4, 5]	Mumbai	2018	0.60	0.06	Revenue Based – 95.0%
Godrej Genesis	Pune	2018	0.50	0.48	GPL Owns 51.0% Equity in Project-Specific Company, Revenue Based – 58.0%

Project Name	Location	Expected Completion Date (Financial Year)	Estimated Developable Area (in million sq. ft.)*	Estimated Saleable Area (in million sq. ft.)	Our Economic Interest
Bhugaon Township[4]	Pune	2018	11.80	2.36	Share in Project-Specific Company – 11.09%, Development Manager Fee – ₹ 162.00 / Sq. Ft., Profit Sharing if Profits Exceed Certain Threshold

* Total Developable Area, irrespective of residential or commercial demarcation and revenue, profit or area sharing arrangement.
** Total Saleable Area, irrespective of the revenue, profit or area sharing arrangement.

1: Revenue share is until certain threshold selling price per sq. ft. We receive shares of the incremental revenue above the pre-agreed threshold.
2: Mixed-use project: also included in Ongoing/Forthcoming Residential Projects, as the case may be.
3: Includes approximately 0.16 million sq. ft. of carpet area to be handed over to the counterparty at cost.
4: Primarily a residential project, with a portion of Commercial Saleable Area.
5: We are in the process of acquiring the land. Five percent of the revenues will be paid to the aggregator.
6: We have applied for permission to convert the commercial Saleable Area of this project to residential Saleable Area.

Given below is a brief overview of some of our commercial projects:

The Trees, Vikhroli, Mumbai

The Trees is expected to have approximately 1.46 million sq. ft. of office space, approximately 0.40 million sq. ft. of residential apartments, with the remainder of the area devoted to retail and hotel space. This project is spread over three phases and the entire development is planned to be completed over six years. We have commissioned Pelli Clarke Pelli Architects to master plan and design the project and we have commissioned them for designing the first commercial building within the project. We have commissioned Atelier Ten, a sustainability consulting firm, to guide us in achieving environmentally responsible design that will result in reduced operating costs. The project is expected to feature a four acre landscaped park in the centre. The Trees is located between the Eastern Express Highway and LBS Marg, thereby offering connectivity to Vikhroli station, LBS Marg bus terminus, the proposed Mumbai Metro terminus at Ghatkopar and Mumbai airport. The project will also have access to the Jogeshwari-Vikhroli Link Road (JVLR). The project is expected to be completed in the financial year 2017.

GPL BKC Project, Mumbai

This project is a commercial project located at Bandra Kurla Complex, Mumbai. The project is being developed on 2.5 acres of land and is expected to have approximately 1.00 million sq. ft. of office space. The project is located approximately six and nine kilometres away from Mumbai's domestic and international airports, respectively, and has access to both the western and eastern express highways. The project is expected to be completed in the financial year 2015.

Memoranda of Understanding, Limited Liability Partnership Agreements and Development Agreement with Godrej Group Companies

We have entered into memoranda of understanding with Godrej & Boyce and Godrej Agrovet Limited, for developing land owned by them in India. Under these memoranda of understanding, we are expected to be appointed as the developer to develop their land. The land covered by these memoranda of understanding does not form a part of our Land Reserves and the memoranda of understanding do not constitute definitive agreements for the development of this land. Such appointments entail developing the land the entities own in India, providing advice on the regulations affecting a proposed project and on the feasibility and the design of the project. We may also be responsible for overseeing the quality, cost, schedule, aesthetics, pricing and marketing of the project.

We have entered into a memorandum of understanding and an agreement with Godrej & Boyce (collectively, the "**G&B Agreements**"), each dated October 4, 2011, to appoint us as the "Development Manager" for the development of Godrej & Boyce's lands in Vikhroli and the development of two of Godrej & Boyce's residential towers in Vikhroli, respectively. As the Development Manager for the lands, we are required to provide our expertise and advice as regards, among other things, FSI/FAR regulations and project feasibility, design and marketing plans. As the Development Manager for the two residential towers, we are required to lead the marketing and selling of the premises located in residential towers. Under the terms of the agreement, we are also responsible for assisting Godrej & Boyce in monitoring a variety of project features and specifications and are required to indemnify Godrej & Boyce against all liability in connection with any claims, actions, proceedings, judgments, losses or settlements arising out of our actions. Under the terms of the G&B Agreements, we are responsible for bearing all costs related to management, sales and marketing and Godrej & Boyce is required to pay to us 10.0% of the money received for the sales of units plus all related statutory levies (excluding monies received towards taxes, other levies, infrastructure provided by Godrej & Boyce and certain other charges and fees) and is responsible for arranging financing, obtaining all necessary development approvals and permissions, performing all construction work and for bearing all costs related to development.

We have entered into limited liability partnership agreements with Godrej & Boyce and Godrej Industries Limited for the joint development of certain real estate projects (the "**LLP Agreements**"). Under the terms of the LLP Agreements, we and the counterparties are required to contribute certain amounts as fixed capital contributions and are entitled to certain shares of the partnership profits. We are required to assist in obtaining financing for the construction and development of the projects and may also be responsible for contributing further financing by way of additional capital contributions. We are responsible for bearing all losses. If we are unable to bear all of the losses of a particular partnership and the relevant counterparty is as a result required to bear some of the losses, we are required to indemnify and hold harmless such counterparty from and against all losses that it may be required to bear. We are also required to indemnify the counterparties for any losses that may arise as a result of our private debts.

The table below provides details of the LLP Agreements we have entered into with Godrej group companies:

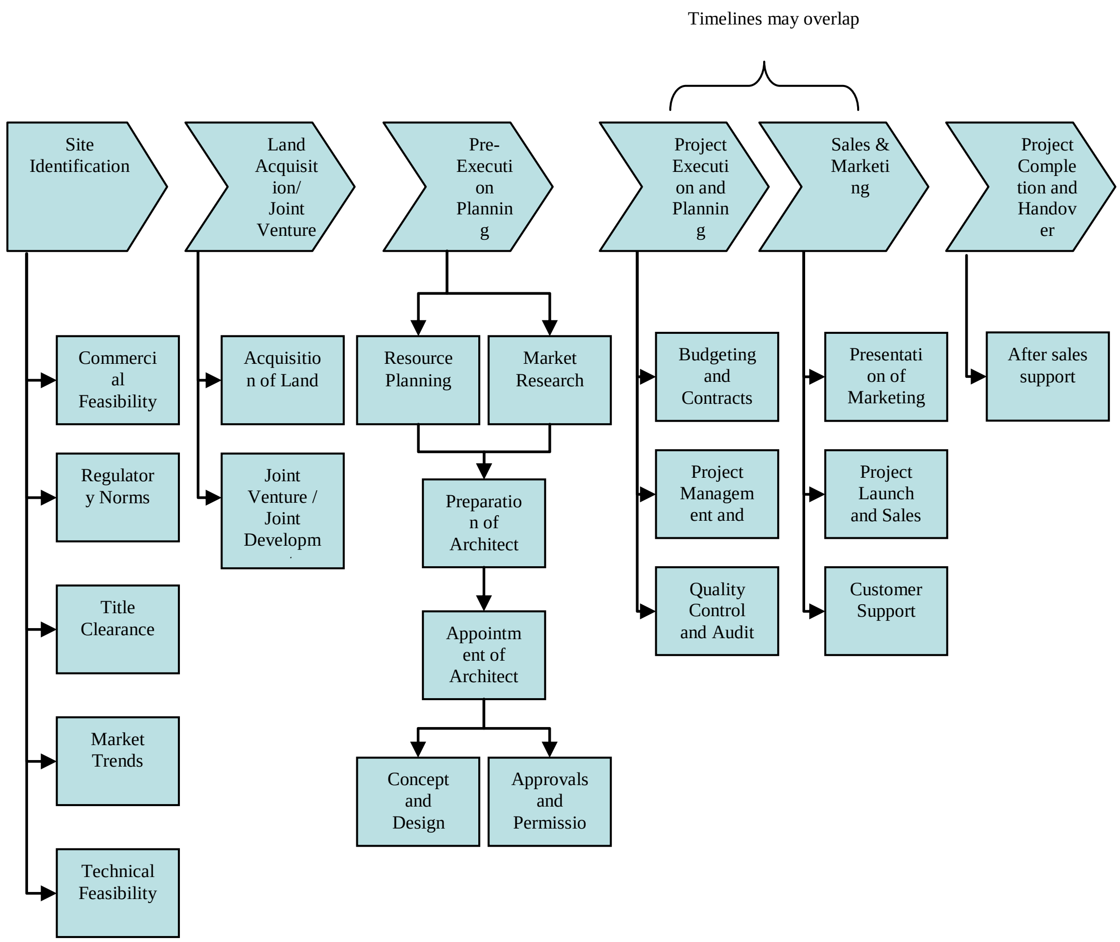
Counterparty	Acreage	Project Location	Profit Sharing Arrangement
Godrej & Boyce	3.0	Thane	GPL: 32.0%; Godrej & Boyce: 68.0%
Godrej & Boyce	9.16	Hyderabad	GPL: 35.0%; Godrej & Boyce: 65.0%
Godrej Industries Limited	36.5	Vikhroli	GPL: 60.0%; Godrej Industries: 40.0%

Other Agreements

We have entered into various memoranda of understanding with various parties for the development of real estate projects in Kalyan, Titwala, Panvel and Vikhroli, Mumbai. These are not definitive agreements and the lands that are the subject matter of these agreements do not form a part of our Land Reserves.

Operation Methodology

The following chart illustrates our operation methodology:



Land Acquisition and Development Agreements

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

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

We generally use the "joint development model" for developing properties, which entails entering into a development agreement with the owner(s) of the land parcel(s) sought to be developed and developing the project jointly with the land owner. We are, typically, entitled to share in the development property, or a share of the revenue or profits generated from the sale of the developed property, or a combination of both entitlements. We believe that the joint development model allows us to be more capital efficient and hold fewer assets.

Additionally, in some projects, we offer and sell equity interests in project-specific companies to long-term investors. This business model enables us to hold fewer assets, be more capital efficient, achieve higher returns on our investments in the projects and undertake more projects without investing large amounts of capital towards the purchase of land. We are thereby able to limit our risk through project diversification while maintaining significant management control over these projects. As of December 31, 2011, eight of our projects were being undertaken with long-term equity partners who have invested in project-specific companies.

In addition, we undertake the development of projects as a project development manager on a fee basis, which we believe allows us to reduce the number of responsibilities with regard to such projects that we are required to handle, including, for example, the responsibility to obtain approvals in relation to such development.

We are also exploring opportunities to form partnerships with private equity funds where we will look at opportunities to purchase land with pre-committed capital from such investors for capital intensive projects.

We have incorporated a wholly-owned subsidiary and have established a dedicated internal team that is focused on undertaking residential redevelopment projects in Mumbai. We have begun developing one such residential redevelopment project as on date.

Project Planning and Execution

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

Along with selective acquisition of land parcels in strategic locations, we enter into development agreements with land owners to acquire development rights to their land in exchange for a pre-determined portion of revenues, profits or developable area generated from the projects. To grow our operations and revenues and better manage risk, we, in some projects, offer and sell equity interests in the project-specific companies to long-term investors. This business model enables us to undertake more projects without having to invest large amounts of capital towards purchasing land. We are thereby able to limit our risk through project diversification while maintaining significant management control over our projects.

We engage leading design and engineering, construction and project management companies such as Masters Management Consultants (India) Private Limited, STUP Consultants Private Limited, A.N. Prakash Construction Project Management Consultants Private Limited, Larsen & Toubro Limited, Shapoorji Pallonji & Company Limited and Simplex Infrastructures Limited for the execution of our projects.
We are committed to meeting certain environmental parameters in site selection and planning, water efficiency, energy efficiency, material and indoor environmental quality. We have undertaken the "Godrej Good & Green" initiative to achieve certain environmental benchmarks by the year 2020 and are committed to ensuring that each of our new developments will be planned in a manner that enables it to receive LEED green building certification.

Sales and Marketing

We maintain a data base consisting of our existing customers and undertake direct sales efforts through a combination of telephonic marketing and electronic marketing, either centrally from our head office or through our business representatives. We conduct our indirect marketing through our external network of sales associates across India. We also actively participate in real estate exhibitions worldwide. We intend to leverage sales through global sales and distribution partners in markets such as the United States, United Kingdom, certain countries located in the Middle East, Canada, Indonesia, Singapore, Australia certain countries in Africa and the NRI population. We also utilise group company synergies by cross-selling with companies such as Godrej Appliances Limited.

We encourage the participation of former buyers or tenants in our new product launches. We employ various marketing approaches depending on whether the project is residential or commercial. These include launch events, corporate presentations, web marketing, direct and indirect marketing, as well as newspaper and outdoor advertising. We prefer to market our projects directly to our customers, although a portion of our sales are made through brokers. Most of the sale bookings are performed on site, although sales are also made at our corporate offices. We begin making sales upon commencement of a project and usually enter into agreements to sell a substantial portion of each project prior to completion. A client servicing team services the customer after the booking process through the transfer of property to the new owner. We have a dedicated team headed by a Chief Customer Officer to focus on attaining customer satisfaction through surveys and gap analysis. We liaise with various banks and housing finance companies to provide our customers with convenient access to finance in order to purchase their apartments.

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

Completion and Hand-over of the Property

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

Our Competitors

We face competition from regional, national and international property developers. Moreover, as we seek to diversify into new geographies, we face the risk that some of our competitors have a pan-India presence while our other competitors have a strong presence in certain regional markets. Our competitors include both large corporate and small real estate developers. Our key competitors include real estate developers such as Oberoi Realty Limited and Mahindra Lifespace Developers Limited.

Our Employees

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

As of December 31, 2011, we had 330 permanent employees. Our permanent employees include personnel engaged in our management, administration, planning, procurement, auditing, finance, business development, sales and marketing and legal functions. The function-wise break-down of our employees, as of December 31, 2011, is as set forth below:

Function	**Number of Employees**
Managers	194
Officers	123
Staff	10
Consultant	3
Total	330

Health, Safety and Environment

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

Intellectual property

The brand and trademark "Godrej" and the associated logo is assigned by Godrej & Boyce Manufacturing Company Limited to Godrej Industries Limited. By an agreement dated May 27, 2008, Godrej Industries Limited has granted our Company the non-exclusive right to use the trademark and logo in our ordinary course of business upon a payment of royalty of 0.5% of the consolidated sales and operating income of our Company per annum.

Insurance

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

Properties

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

BOARD OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

Board of Directors

The Company's Articles of Association provide that the minimum number of Directors shall be three and the maximum number of Directors shall be 16. As of the date of this Preliminary Offer Document, the Company has 14 directors. The Company may, subject to the provisions of the Articles of Association and the Companies Act, alter the minimum or the maximum number of Directors by approval of its shareholders, subject to approval of the Government, if the increase is beyond the maximum permissible limits under its Articles of Association as first registered.

Not less than two-thirds of the total number of Directors shall be elected Directors who are liable to retire by rotation. At the Company's annual general meeting, one-third of the Directors for the time being who are liable to retire by rotation shall retire from office. A retiring director is eligible for re-election. The Executive Directors of the Company are not liable to retire by rotation. The Company's Articles of Association permit certain banks, government entities, financial institutions and other persons which are its lenders to appoint Directors to the Board while any loan amount remains outstanding to them from the Company. The quorum for meetings of the Board of Directors is one-third of the total number of Directors, or two Directors, whichever is higher, provided that where at any time the number of interested Directors exceeds or is equal to two-third of the total strength the number of remaining Directors present at the meeting, being not less than two, shall be the quorum.

The Company's Directors are not required to hold any Equity Shares to qualify to be a Director.

The following table provides information about the Company's current Directors as of the date of this Preliminary Offer Document:

Sr. No.	Name, DIN, Term and Nationality	Age (Years)	Designation
1.	**Mr. Adi B. Godrej** **DIN**: 00065964 **Term**: Liable to retire by rotation **Nationality**: Indian	69	Chairman (Non-Executive)
2.	**Mr. Jamshyd N. Godrej** **DIN**: 00076250 **Term**: Liable to retire by rotation **Nationality**: Indian	63	Non-Executive Director
3.	**Mr. Nadir B. Godrej** **DIN**: 00066195 **Term**: Liable to retire by rotation **Nationality**: Indian	60	Non-Executive Director
4.	**Mrs. Parmeshwar A. Godrej** **DIN**: 00432572 **Term**: Liable to retire by rotation **Nationality**: Indian	67	Non-Executive Director

Sr. No.	Name, DIN, Term and Nationality	Age (Years)	Designation
5.	**Mr. Pirojsha Godrej** **DIN**: 00432983 **Term**: November 1, 2011 to October 31, 2014 **Nationality**: Indian	31	Executive Director*
6.	**Mr. Milind S. Korde** **DIN**: 00434791 **Term**: April 1, 2009 to March 31, 2012 **Nationality**: Indian	48	Managing Director *
7.	**Mr. K.T. Jithendran** **DIN**: 01181998 **Term**: May 17, 2010 to May 16, 2013 **Nationality**: Indian	44	Executive Director
8.	**Mr. Amit B. Choudhury** **DIN**: 00557547 **Term**: Liable to retire by rotation **Nationality**: Indian	69	Independent Director
9.	**Mr. Keki B. Dadiseth** **DIN**: 00052165 **Term**: Liable to retire by rotation **Nationality**: Indian	66	Independent Director
10.	**Mrs. Lalita D. Gupte** **DIN**: 00043559 **Term**: Liable to retire by rotation **Nationality**: Indian	63	Independent Director
11.	**Mr. Pranay Vakil** **DIN**: 00433379 **Term**: Liable to retire by rotation **Nationality**: Indian	65	Independent Director
12.	**Dr. Pritam Singh** **DIN**: 00057377 **Term**: Liable to retire by rotation **Nationality**: Indian	70	Independent Director
13.	**Mr. S. Narayan** **DIN**: 00094081 **Term**: Liable to retire by rotation **Nationality**: Indian	68	Independent Director

Sr. No.	Name, DIN, Term and Nationality	Age (Years)	Designation
14.	**Mr. Amitava Mukherjee** **DIN**: 00003285 **Term**: Liable to retire by rotation **Nationality**: Indian	58	Independent Director

** Mr. Milind S. Korde has resigned from the Board of the Company with effect from March 31, 2012. Subject to approval of the shareholders of the Company, Mr. Pirojsha Godrej has been appointed as the Managing Director and Chief Executive Officer of the Company with effect from April 1, 2012.*

Note: Subject to approval of the shareholders of the Company, Mr. V. Srinivasan has been appointed as an Executive Director of the Company with effect from April 1, 2012. Mr. V. Srinivasan is currently the Chief Financial Officer of Godrej Industries and is a qualified Chartered Accountant and Company Secretary. He has been associated with the Godrej group since 1989, and has headed Finance, Company Secretarial and Information Systems functions at various Godrej group companies.

Brief Profile of the Directors

Mr. Adi B. Godrej has been a Director of the Company since 1990 and is the Chairman of the Company. He holds a Bachelor's degree and a Master's degree in engineering from the Massachusetts Institute of Technology, U.S.A. Mr. Godrej is the chairman of the Godrej group. He is the chairman of Godrej Consumer Products Limited, Godrej Industries, Godrej Hershey Limited and several other Godrej group companies. Mr. Godrej is a director of several companies, including Godrej & Boyce and Godrej Agrovet Limited. He also serves as a member of the executive board of the Indian School of Business, Hyderabad.

Mr. Jamshyd N. Godrej has been a Director of the Company since 1990. He graduated in mechanical engineering from Illinois Institute of Technology, U.S.A. He is the chairman of the board of Godrej & Boyce. Mr. Godrej is the chairman emeritus of Aspen Institute India and also chairman of CII Sohrabji Godrej Green Business Centre. He is the trustee and president emeritus of World Wide Fund for Nature – India, the chairperson of the board of directors of Shakti Sustainable Energy Foundation and the chairman of India Resources Trust. He is director of World Resources Institute, U.S.A, Climate Works Foundation, U.S.A and Global Footprint Network, U.S.A. He is a member of the Toyota Motor Asia Pacific Regional Advisory Committee. He is the past president of the Confederation of Indian Industry and also the past president of the Indian Machine Tool Manufacturers' Association.

Mr. Nadir B. Godrej has been a Director of the Company since 1990. He holds a Bachelor of Science degree in chemical engineering from the Massachusetts Institute of Technology, U.S.A., a Master of Science degree in chemical engineering from Stanford University, U.S.A. and a Master of Business Administration degree from Harvard Business School, U.S.A. Mr. Nadir B. Godrej is the chairman of Godrej Agrovet Limited. He is the managing director of Godrej Industries and is on the board of several companies.

Mrs. Parmeshwar A. Godrej has been a Director of the Company since 1989. Mrs. Godrej has completed her Senior Cambridge and studied Fine Arts and Commercial Art at J. J. School of Arts, Mumbai. Mrs. Godrej serves on the board of Heroes Aids Project, Gates Foundation (Avahan), The Gere Foundation, Cine Blitz Publications, American India Foundation and the Palace School in Jaipur.

Mr. Pirojsha Godrej has been an Executive Director of the Company since 2008. He holds a Bachelor's degree in economics from the Wharton School at the University of Pennsylvania, a Master's degree in international affairs from Columbia University's School of International and Public Affairs, U.S.A and a Master's degree in business administration from Columbia Business School, U.S.A. He serves on the board of Godrej Realty Private Limited, Godrej Waterside Properties Private Limited, Godrej Developers Private Limited, Godrej Buildwell Private Limited and Godrej Projects Development Private Limited. Subject to approval of the shareholders of the Company, Mr. Pirojsha Godrej has been appointed as the Managing Director and Chief Executive Officer of the Company with effect from April 1, 2012.

Mr. Milind S. Korde has been the Managing Director of the Company since 2003. He is a law graduate and holds a Bachelor's degree in Science. He is also an associate member of the Institute of Company Secretaries of India. He started his career with Tata Housing and Development Company and joined the Company in 1990, the year of its inception. He has over 20 years of experience in the real estate development and has handled diverse portfolios like legal, marketing, commercial, secretarial and business development in the Company before being appointed as the Managing Director of the Company. He has resigned from the post of Managing Director of the Company with effect from March 31, 2012.

Mr. K. T. Jithendran has been an Executive Director of the Company since 2010. He holds a degree in civil engineering from the Indian Institute of Technology and has also completed his Post Graduate Diploma in management from the Indian Institute of Management. He began his career with Metallurgical Engineering Consultants and joined the Company in 1994. He has over 17 years of experience in the real estate development and has handled various functions of marketing, sales and human resources.

Mr. Amit B. Choudhury has been an Independent Director of the Company since 2003. He holds a Master's degree in economics and a Master's degree in management studies from Jamnalal Bajaj Institute of Management Studies. Mr. Choudhury serves on the board of Swadeshi Detergents Limited, Vora Soaps Limited, Godrej Agrovet Limited, Wadala Commodities Limited and Godrej Industries.

Mr. Keki B. Dadiseth has been an Independent Director of the Company since 2008. He is a Fellow of the Institute of Chartered Accountants of England and Wales. He joined Hindustan Lever Limited in India in 1973. His tenure in Hindustan Lever Limited included a three-year secondment to Unilever PLC in London from 1984 to 1987 and in 1987, Mr. Dadiseth joined the board of Hindustan Lever Limited, until he became its chairman in 1996. He was appointed as director on the board of Unilever PLC and Unilever NV in May 2000 and a member of the executive committee. He retired from Unilever in May 2005. Mr. Dadiseth is closely associated with various industry, educational, management and medical bodies and is currently on the boards of The Indian Hotels Company Limited, Britannia Industries Limited, Piramal Healthcare Limited, Siemens Limited, ICICI Prudential Life Insurance Company Limited, ICICI Prudential Trust Limited and Sony India Private Limited. He is a member of the executive board of the Indian School of Business. He is a non-executive director of Prudential PLC, chairman of Omnicom India International Advisor to Goldman Sachs, member of International Advisory Board of Fleishman-Hillard Inc., chairman of the Convening Board of Marsh & McLennan Companies Group, India and member of the Strategic Advisory Board of Atos India Private Limited and senior advisor to Sony Group in India. He is a trustee of Sir Ratan Tata Trust and Bai Hirabai J. N. Tata Navsari Charitable Institution. He is also chairman and member of the Finance Committee of Breach Candy Hospital Trust.

Mrs. Lalita D. Gupte has been an Independent Director of the Company since 2008. She holds a Bachelor's degree in economics and a Master's degree in management studies. Mrs. Gupte is currently the chairperson of ICICI Venture Funds Management Company Limited. In October 2006, she retired as joint managing director and member of the board of ICICI Bank Limited. Mrs. Gupte is on the board of several companies and educational institutions and has received several awards and recognitions.

Mr. Pranay Vakil has been an Independent Director of the Company since 2008. Mr. Vakil is a Chartered Accountant and a law graduate by qualification. Mr. Vakil is presently the chairman of Knight Frank (India) Private Limited. Till October 2001, Mr. Vakil was the managing director of Gesco Corporation Limited and prior to that, worked as an executive director with Raychem for a period of five years. Presently, he is on the board of Deepak Fertilisers and Petrochemicals Corporation Limited, Praron Consultancy (India) Private Limited, Dignity Lifestyle Private Limited, Muthoot Hotels and Infrastructure Ventures Private Limited and Rutley Real Estate Investment Management (India) Private Limited. He is the co-chairman of Federation of Indian Chambers of Commerce and Industry (FICCI) Real Estate Committee.

Dr. Pritam Singh has been an Independent Director of the Company since 2008. He holds a Master's degree in commerce from Benares Hindu University, a Master's degree in business administration from Indiana University, Bloomington, Indiana, U.S.A and a Ph.D from Benares Hindu University. Dr. Singh is author of seven academically reputed books and published over 50 research papers. During his tenure as director of Indian Institute of

Management at Lucknow and Management Development Institute, he developed collaborations across the world and signed several MoUs with American, European, Australian and Asian Management Schools. Currently, he is on the board of Hero MotoCorp Limited, Dish T. V. India Limited, Parsvnath Developers Limited, Dena Bank and also a member on the local board of RBI. He has been conferred the Padma Shri in 2003 and has been also conferred many prestigious management awards such as UP Ratna Award (2001) and Best Director Award of Indian Management Schools (1998).

Mr. S. Narayan has been an Independent Director of the Company since 2008. He holds Master's degree in business administration from the University of South Australia, M.Phil in economics from the University of Cambridge and Ph.D from the Indian Institute of Technology (New Delhi). He has experience of over 40 years in public services in various capacities in both state governments and the central Government, in development administration. During the period 2003-2004, he was the economic adviser to the Prime Minister of India and was responsible for implementation of economic policies of several economic ministries including finance, trade and commerce, energy and infrastructure. He is on the board of several companies, including Apollo Tyres Limited, Dabur India Limited and Seshasayee Papers & Board Limited.

Mr. Amitava Mukherjee has been an Independent Director of the Company since 2010. He holds a Master's degree in management from Asian Institute of Management, Manila, a Master's degree in business economics from Delhi School of Economics, New Delhi and Post Graduation in foreign trade from the Indian Institute of Foreign Trade, New Delhi. He has 20 years of experience in investment banking. He has served as the managing director and board member at Lazard India and Ambit Corporate Finance.

Borrowing Powers of the Board

In terms of the Articles of Association, the Board may, from time to time, at its discretion raise or borrow any sum or sums of money for the purposes of the Company and subject to the provisions of the Companies Act may secure payment or repayment of the same in such manner and terms as prescribed by the Board. The shareholders of the Company have, by way of a postal ballot resolution dated December 28, 2011, resolved that pursuant to provisions of Section 293(1)(d) of the Companies Act, the Board is authorised to borrow amounts up to an aggregate amount of ₹ 22,500 million.

Shareholding of Directors

The following table sets forth the number of Equity Shares held by and the stock options granted to the Directors as of December 31, 2011:

Name	Number of Equity Shares	Percentage (%)	Number of employee stock options granted under GPL ESOP	Number of stock options granted under GPL ESGS
Mr. Adi B. Godrej	-	-	-	-
Mr. Jamshyd N. Godrej	-	-	-	-
Mr. Nadir B. Godrej	1,562,250	2.24	-	-
Mrs. Parmeshwar A. Godrej	-	-	-	-
Mr. Pirojsha Godrej	520,747	0.75	-	-
Mr. Milind S. Korde	10,000	0.01	60,000	10,751
Mr. K.T. Jithendran	2,445	0.00	30,000	8,064
Mr. Amit B. Choudhury	1,500	0.00	-	-
Mr. Keki B. Dadiseth	-	-	-	-
Mrs. Lalita D. Gupte	7,000	0.01	-	-
Mr. Pranay Vakil	8,000	0.01	-	-
Dr. Pritam Singh	1,000	0.00	-	-
Mr. S. Narayan	-	-	-	-
Mr. Amitava Mukherjee	-	-	-	-

Compensation of the Directors

Executive Directors

The following tables set forth the compensation paid by the Company to its Executive Directors for the Financial Year 2011:

Name of Director	Designation	Salary (In ₹)	Perquisites and Allowances (In ₹)	Provident Fund (In ₹)	Others (In ₹)	Total (In ₹)
Mr. Pirojsha Godrej	Executive Director	7,447,200	10,569,767	460,800	2,265,388*	20,743,155
Mr. Milind S. Korde	Managing Director	14,158,875	455,745	825,408	5,899,243*	21,339,271
Mr. K.T. Jithendran	Executive Director	10,022,727	385,660	481,829	4,023,694*	14,913,910

**Includes a provision made for Performance Bonus of ₹4,497,980 for Mr. Milind S. Korde, ₹2,265,388 for Mr. Pirojsha Godrej and ₹2,721,044 for Mr. K. T. Jithendran for the Financial Year 2011.*

The following tables set forth compensation paid by the Company to its Non-Executive Directors for the Financial Year 2011:

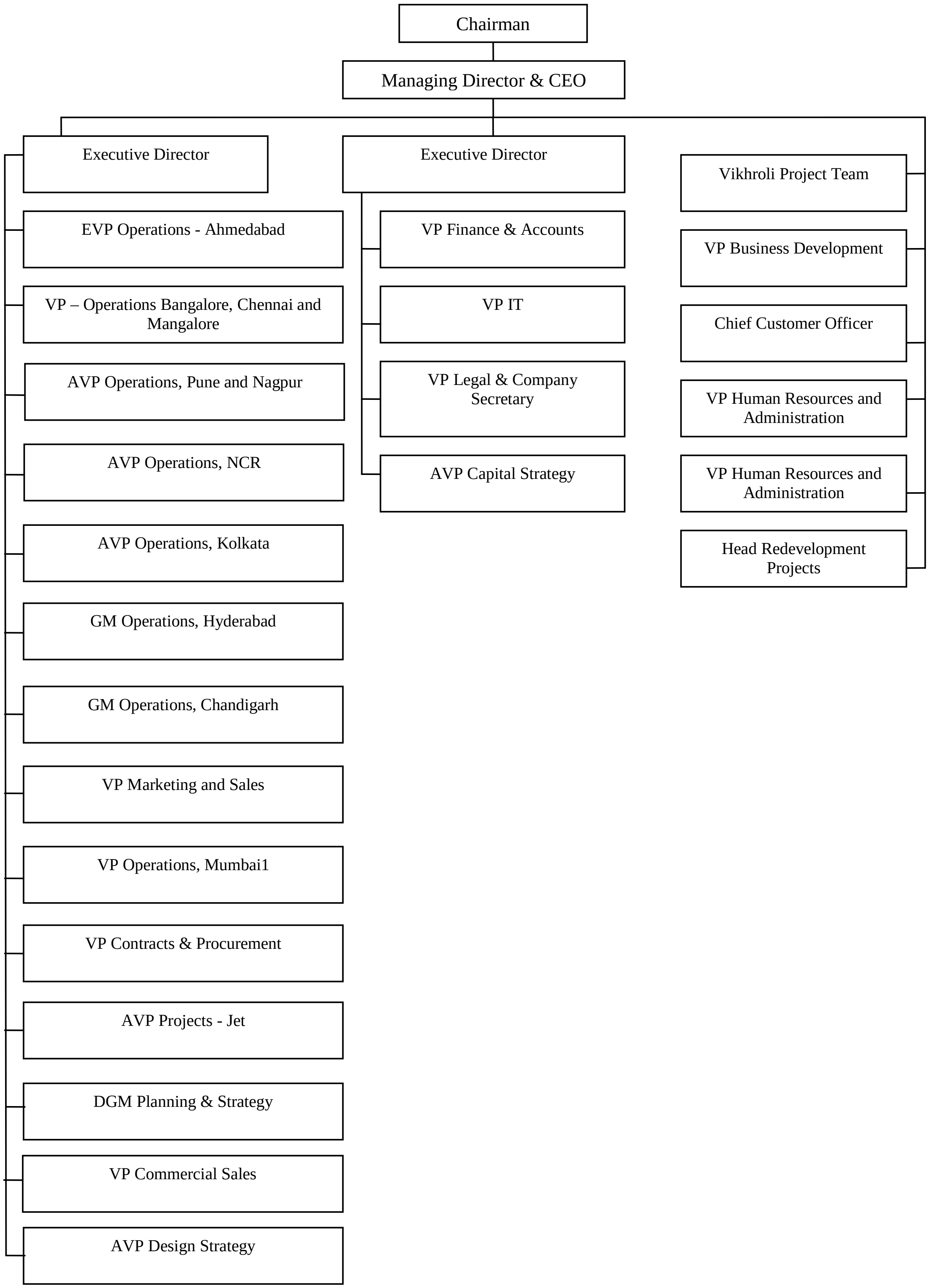
Non-Executive Directors

Name	Commission (In ₹)	Perquisites (In ₹)	Sitting Fees (In ₹)	Total (In ₹)
Mr. Adi B. Godrej	500,000	Nil	80,000	580,000
Mr. Jamshyd N. Godrej	500,000	Nil	40,000	540,000
Mr. Nadir B. Godrej	500,000	Nil	80,000	580,000
Mrs. Parmeshwar A. Godrej	500,000	Nil	60,000	560,000
Mr. Amit B. Choudhury	500,000	Nil	115,000	615,000
Mr. Keki B. Dadiseth	500,000	Nil	115,000	615,000
Mrs. Lalita D. Gupte	500,000	Nil	115,000	615,000
Mr. Pranay Vakil	500,000	Nil	85,000	585,000
Dr. Pritam Singh	500,000	Nil	85,000	585,000
Mr. S. Narayan	500,000	Nil	85,000	585,000
Mr. Amitava Mukherjee	436,986	Nil	50,000	486,986

Prohibition by SEBI or Other Governmental Authorities

None of the Directors or the companies with which they are or were associated as promoters, directors or persons in control have been debarred from accessing the capital market under any order or direction passed by SEBI or any other regulatory or governmental authority.

Organisation Structure



Key Managerial Personnel

The key managerial personnel of the Company, other than the Executive Directors, are as follows:

Mr. Rajendra Khetawat, aged 40 years, is a Vice President of the Company and heads the finance and accounts function. Prior to joining the Company in 2003, he worked with K. Raheja Constructions Limited, Mumbai for five years. He is a Chartered Accountant and has over 14 years of experience in the field of audit, accounts, tax, financial and treasury management.

Mr. Karan Bolaria, aged 34 years, is the Associate Vice President (Capital Strategy) of the Company and heads the capital strategy function. Prior to joining the Company in 2009, he worked with Praxis Infrastructure & Development Private Limited, Chandigarh. He has a Master's degree in real estate development from Columbia University, U.S.A and has over 10 years of experience across finance, real estate investment and capital raising functions. He represents Asia-Pacific on Columbia University's Alumni Advisory Council for Real Estate Development.

Mr. Santosh Tamhane, aged 48 years, is a Vice President of the Company and is in charge of projects of the Company. Prior to joining the Company in 2006, he worked with Tata Housing Development Company Limited. He has a Bachelor's degree in civil engineering from Sardar Patel College of Engineering and has over 27 years of experience in the field of project execution.

Mr. Mohit Malhotra, aged 34 years, is a Vice President of the Company and heads the business development function. Prior to joining the Company in 2010, he worked with Brahma Capitals. He has obtained a Bachelor's degree in mechanical engineering from Thapar Institute of Engineering & Technology, Patiala and a post graduate diploma in management from Indian Institute of Management, Calcutta. He has over nine years of experience in management consulting, private equity and deal making in the real estate sector.

Mr. Sriram Iyer, aged 47 years, is the Vice President (South Zone) of the Company. Prior to joining the Company in 2008, he worked with Marg Construction. He has a Bachelor's degree in civil engineering from Veermata Jijabai Technological Institute, Mumbai and a Master's degree in business administration from Jamnalal Bajaj Institute of Management Studies, Mumbai. He has over 22 years of experience in the real estate sector.

Ms. Mamta Bakshi, aged 43 years, is the Chief Customer Officer of the Company and handles customer relationship function which manages after-sales services and generating repeat sales of the Company. Prior to joining the Company in 2009, she worked with Click4Care Inc, Columbus, Ohio. She has a Bachelor's degree in business administration from Gauhati University, Assam and a Master's degree in business administration from Fisher College of Business, Columbus, Ohio. She has over 20 years of experience in customer relations and support functions.

Mr. Girish Shah, aged 43 years, is a Vice President of the Company and heads the marketing and sales function. Prior to joining the Company in 2010, he worked with the Reliance ADA Group. He has a Bachelor's degree in science and a Master's degree in management from Mumbai University, Mumbai. He has over 20 years of experience in the sales and marketing functions across consumer and service industries.

Mr. Milind Apte, aged 41 years, is a Vice President of the Company and heads the human resources and administration function. Prior to joining the Company in 2011, he worked with Godrej Hershey Limited. He has a Bachelor's degree and a Master's degree in commerce from Mumbai University. He is a Diploma Holder in personnel management and industrial relations and holds a Master's degree in human resource development from Mumbai University. He has over 22 years of experience in human resourced development.

Mr. Shodhan A. Kembhavi, aged 52 years, is a Vice President of the Company and heads the legal and secretarial functions. Prior to joining the Company in 2000, he worked with Premier Automobiles Limited, Standard Batteries Limited, Bajaj Hindustan Limited and Hotel Leelaventure Limited. He is a member of the Institute of Company Secretaries of India and a law graduate from Mumbai University. He has over 20 years of experience in the field of legal and company secretarial matters.

Each of the aforesaid key managerial personnel is a permanent employee of the Company.

The following table sets forth the number of Equity Shares held by and stock options granted to the key managerial personnel as of December 31, 2011:

Name	Designation	Number of employee stock options granted under GPL ESOP (as of December 31, 2011)	Number of employee stock options granted under GPL ESGS (as of December 31, 2011)	No. of Equity Shares held (as of December 31, 2011)
Mr. Rajendra Khetawat	Vice President - Finance and Accounts	10,000	1,791	300
Mr. Karan Bolaria	Associate Vice President (Capital Strategy)	-	-	-
Mr. Santosh Tamhane	Vice President- Projects	10,000	1,791	300
Mr. Mohit Malhotra	Vice President (Business Development)	-	1,791	-
Mr. Sriram Iyer	Vice President (South Zone)	-	1,791	-
Ms. Mamta Bakshi	Chief Customer Officer	-	1,791	-
Mr. Girish Shah	Vice President (Marketing & Sales)	-	1,791	-
Mr. Milind Apte	Vice President (Human Resources and Administration)	-	1,791	-
Mr. Shodhan A. Kembhavi	Vice President (Legal and Secretarial)	10,000	1,791	400

Corporate Governance

The Company complies with the applicable corporate governance requirements, including the requirements such as constitution of the Board and committees thereof under the Equity Listing Agreement.

Currently, the Board consists of 14 Directors out of which seven are independent Directors. As the Chairman of the Company is a person related to the Promoters, at least half of the Board is required to consist of independent directors, as required under the corporate governance norms provided in Clause 49 of the Equity Listing Agreement. The corporate governance framework is based on an effective independent Board, separation of the supervisory role of the Board from the executive management team and proper constitution of committees of the Board. The Board functions either as a full Board or through various committees constituted to oversee specific operational areas.

Committees of the Board

As of the date of this Preliminary Offer Document, There are three Board level committees in the Company, which have been constituted and which function in accordance with the relevant provisions of the Companies Act and the Equity Listing Agreement: (i) the Audit Committee; (ii) the Remuneration Committee; and (iii) the Investors' Grievance cum Share Transfer Committee.

The members of the aforesaid committees as of the date of this Preliminary Offer Document are:

Committee	Members
Audit Committee	Mr. Keki B Dadiseth (Chairman), Mrs. Lalita D. Gupte, Mr. Amit B. Choudhury, Mr. Pranay Vakil, Dr. Pritam Singh, Mr. S. Narayan and Mr. Amitava Mukherjee
Remuneration Committee	Mrs. Lalita D. Gupte (Chairperson), Mr. Keki B. Dadiseth, Mr. Amit B. Choudhury, Mr. Pranay Vakil, Dr. Pritam Singh, Mr. S. Narayan and Mr.

Committee	Members
	Amitava Mukherjee
Investors' Grievance cum Share Transfer Committee	Mr. Adi B. Godrej (Chairman), Mr. Milind S. Korde*, Mr. Pirojsha Godrej and Mr. Amit B. Choudhury

* *Mr. Milind S. Korde has resigned from the Board of the Company with effect from March 31, 2012. He will cease to be a member of the Investors' Grievance cum Share Transfer Committee with effect from March 31, 2012.*

The Company has also constituted other Board level committees including: (i) the Management Committee (*inter alia* empowered to borrow and invest monies up to a limit provided by the Board, powers related to operate bank accounts on behalf of the Company and to execute MoUs and term sheets with land owners and aggregators); (ii) the Allotment Committee (*inter alia* empowered to allot Equity Shares on account of exercise of stock options/ grants under the GPL ESGS and to make listing applications to the Stock Exchanges for listing of such Equity Shares) ; and (iii) the Securities Issuance Committee.

Interest of Directors and Key Managerial Personnel

Except as stated in "***Financial Statements – Related Party Transactions***", and to the extent of shareholding and stock options held in the Company and remuneration and benefits to which they are entitled as per their terms of appointment, the Directors do not have any other interest in the Company or its business. The Directors may also be regarded as interested in the Equity Shares, if any, held by or that may be subscribed by and allotted to them, their relatives, dependents, companies, firms, HUF or trusts, in which they are interested as directors, members, partners, karta and/or trustees. All the 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 and any other benefit arising out of such holding and transactions with the companies with which they are associated as directors or members.

The Non-Executive Directors of the Company may also be deemed to be interested to the extent of commission and sitting fees payable to them for attending meetings of the Board or a committee.

The key managerial personnel of the Company do not have any interest in the Company other than to the extent of the remuneration or benefits to which they are entitled to as per their terms of appointment and reimbursement of expenses incurred by them during the ordinary course of business and to the extent of the Equity Shares and stock options held by them or their dependants in the Company, if any. The Company has a 'Performance Bonus For Teams' scheme for payment of performance bonus to the employees.

Employee Stock Option Plans

Godrej Properties Limited Employee Stock Option Plan

The GPL ESOP was established pursuant to the approval of the shareholders of the Company on December 24, 2007. The GPL ESOP is administered by an independent trust. The details regarding the GPL ESOP are provided in the following table:

Sr. No.	Description	
1.	Total number of options under the GPL ESOP	Such number of options convertible into 1,500,000 Equity Shares
2.	Options granted as of December 31, 2011	442,700
3.	Options vested as of December 31, 2011	20,000
4.	Options exercised as of December 31, 2011	Nil
5.	Options lapsed or forfeited as of December 31, 2011	105,000
6.	Total number of options outstanding as of December 31, 2011	337,700

Godrej Properties Limited Employees Stock Grant Scheme 2011

The GPL ESGS was established pursuant to the resolution dated March 18, 2011 of the shareholders of the Company. The details regarding the GPL ESGS are provided in the following table:

Sr. No.	**Description**	
1.	Total number of options under the GPL ESGS	300,000
2.	Options granted as of December 31, 2011	41,203
3.	Options vested as of December 31, 2011	Nil
4.	Options exercised as of December 31, 2011	Nil
5.	Options lapsed or forfeited as of December 31, 2011	2,687
6.	Total number of options outstanding as of December 31, 2011	38,516

Note: The Remuneration Committee has at its meeting held on January 19, 2012 granted 1,878 stock options under the GPL ESGS with effect from October 1, 2011.

PRINCIPAL SHAREHOLDERS

Godrej & Boyce and Godrej Industries are the Promoters of the Company.

The shareholding pattern of the Company as of December 31, 2011 is as indicated in the table below:

Category of Shareholder	No. of Shareholders	Total No. of Equity Shares	Total No. of Equity Shares held in Dematerialised Form	Total Shareholding as a % of total No. of Equity Shares		Shares pledged or otherwise encumbered	
				As a % of (A+B)	As a % of (A+B+C)	No. of Equity Shares	As a % of Total No. of Equity Shares
(A) Shareholding of Promoter and Promoter Group							
(1) Indian							
Individuals / Hindu Undivided Family	9	7,811,250	7,811,250	11.18	11.18	-	-
Bodies Corporate	7	50,716,364	50,716,364	72.61	72.61	-	-
Sub Total	**16**	**58,527,614**	**58,527,614**	**83.79**	**83.79**	**-**	**-**
(2) Foreign	-	-	-	-	-	-	-
Total shareholding of Promoter and Promoter Group (A)	**16**	**58,527,614**	**58,527,614**	**83.79**	**83.79**	**-**	**-**
(B) Public Shareholding							
(1) Institutions							
Mutual Funds / UTI	4	1,228,163	1,228,163	1.76	1.76	-	-
Financial Institutions / Banks	5	153,982	153,982	0.22	0.22	-	-
Foreign Institutional Investors	29	4,052,583	4,052,583	5.80	5.80	-	-
Sub Total	**38**	**5,434,728**	**5,434,728**	**7.78**	**7.78**	**-**	**-**
(2) Non-Institutions							
Bodies Corporate	381	2,066,034	2,066,034	2.96	2.96	-	-
Individuals						**-**	**-**
Individual shareholders holding nominal share capital up to ₹ 0.1 million	15,791	1,432,769	1,379,107	2.05	2.05	-	-
Individual shareholders holding nominal share capital in excess of ₹ 0.1 million	21	1,868,964	1,868,964	2.68	2.68	-	-
Any Others (Specify)	**460**	**519,900**	**77,200**	**0.74**	**0.74**	**-**	**-**
Trusts	2	442,780	80	0.63	0.63	-	-
Non Resident Indians	418	72,193	72,193	0.10	0.10	-	-
Clearing Members	40	4,927	4,927	0.01	0.01	-	-

Category of Shareholder	No. of Shareholders	Total No. of Equity Shares	Total No. of Equity Shares held in Dematerialised Form	Total Shareholding as a % of total No. of Equity Shares		Shares pledged or otherwise encumbered	
				As a % of (A+B)	As a % of (A+B+C)	No. of Equity Shares	As a % of Total No. of Equity Shares
Sub Total	**16,653**	**5,887,667**	**5,391,305**	**8.43**	**8.43**	**-**	**-**
Total Public shareholding (B)	**16,691**	**11,322,395**	**10,826,033**	**16.21**	**16.21**	**-**	**-**
Total (A)+(B)	**16,707**	**69,850,009**	**69,353,647**	**100.00**	**100.00**	**-**	**-**
(C) Shares held by Custodians and against which Depository Receipts have been issued	**-**	**-**	**-**	**-**	**-**	**-**	**-**
(1) Promoter and Promoter Group	-	-	-	-	-	-	-
(2) Public	-	-	-	-	-	-	-
Sub Total	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Total (A)+(B)+(C)	**16,707**	**69,850,009**	**69,353,647**	**100.00**	**100.00**	**-**	**-**

Shareholding of persons belonging to the category "Promoter and Promoter Group" as of December 31, 2011 is detailed in the table below:

Name of the Shareholder	Details of Equity Shares held	
	No. of Equity Shares held	As a % of grand total
Godrej Industries	40,747,160	58.34
Godrej Industries	4,648,695	6.66
Godrej Industries	2,569,354	3.68
Nadir B. Godrej	1,562,250	2.24
Rishad Kaikhushru Naoroji	1,562,250	2.24
Freyan Vijay Crishna	815,730	1.17
Navroze Jamshyd Godrej	815,730	1.17
Godrej Investments Private Limited	790,000	1.13
Nyrika Vijay Crishna	746,520	1.07
Raika Jamshyd Godrej	746,520	1.07
Ensemble Holdings & Finance Limited	691,155	0.99
Godrej & Boyce	690,000	0.99
Godrej & Boyce	580,000	0.83
Tanya Arvind Dubash	520,756	0.75
Nisaba Adi Godrej	520,747	0.75
Pirojsha Godrej	520,747	0.75
Total	**58,527,614**	**83.79**

Note: Vora Soaps Limited and Bahar Agrochem & Feeds Private Limited held 0.04% and 1.71% of the Equity Shares of the Company, respectively, as of December 31, 2011 and are included in the category 'public'. These entities are ‘persons acting in concert’ with the Promoters and Promoter Group, as disclosed by the Company in the filings made under Regulation 8(3) of the erstwhile Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 and statement I(c)(ii) (under Clause 35 of the Equity Listing Agreement) for the quarter ended December 31, 2011.

ISSUE PROCEDURE

*The following is a summary intended to present a general outline of the procedure relating to the application, payment, Allocation and Allotment of the Equity Shares offered in the Issue. The Company and the members of the Syndicate do not accept any responsibility for the completeness and accuracy of the information stated in this section, and are not liable for any amendment, modification or change in applicable laws or regulations, which may occur after the date of this Preliminary Offer Document. This section applies to all Applicants. The Applicants are advised to inform themselves of any restrictions or limitations that may be applicable to them. Please see "**Selling Restrictions**" and "**Transfer Restrictions**". Applicants are advised to make their independent investigations and ensure that their applications do not exceed the Issue Size or the investment limits or maximum number of Equity Shares that can be held by them under applicable laws.*

Authority for the Issue

The Issue was authorised and approved by the Board of Directors through a circular resolution dated February 8, 2012, by the shareholders of the Company through a special resolution dated March 5, 2012 and a resolution of the Securities Issuance Committee dated March 15, 2012.

The Company has applied for and received in-principle approval from the BSE on March 12, 2012 and the NSE on March 13, 2012 under Clause 24(a) of the Equity Listing Agreement for listing of the Equity Shares offered in the Issue on the Stock Exchanges. The Company has also filed a copy of this Preliminary Offer Document with the RoC, SEBI and the Stock Exchanges.

Prohibition by SEBI or Other Governmental Authorities

The Company, the Subsidiaries, the LLPs, the Promoters, the members of the Promoter Group, the Directors and the persons in control of the Company have not been debarred from accessing the capital market under any order or direction passed by SEBI or any other regulatory or governmental authority.

The companies with which the Promoters, the Directors or the persons in control of the Company are or were associated as promoter, directors or persons in control have not been debarred from accessing the capital market under any order or direction passed by SEBI or any other regulatory or governmental authority.

Restrictions on Issue Size

The aggregate of all tranches of the IPP undertaken by the Company cannot result in an increase in the public shareholding in the Company by more than 10% or such lesser percentage as may be required for the Company to achieve the required minimum public shareholding. Based on the Issue Size of up to 8,186,810 Equity Shares (assuming the exercise of the Over Allotment Option in full), the increase in public shareholding of the Company shall be 8.79%.

Who can Apply

This Issue is being made only to Eligible QIBs.

Only the following categories of QIBs are eligible to invest in this Issue:

- mutual funds and venture capital funds registered with SEBI;
- foreign institutional investors and sub-accounts registered with SEBI, other than a sub-account which is a foreign corporate or foreign individual;
- public financial institutions, as defined in Section 4A of the Companies Act;
- scheduled commercial banks

- state industrial development corporations;
- insurance companies registered with the Insurance Regulatory and Development Authority;
- provident funds with minimum corpus of ₹ 250 million;
- pension funds with minimum corpus of ₹ 250 million;
- National Investment Fund set up by resolution no. F. No. 2/3/2005-DDII dated November 23, 2005 of the GoI published in the Gazette of India;
- insurance funds set up and managed by army, navy or air force of the Union of India; and
- insurance funds set up and managed by the Department of Posts, India.

Note: FVCIs and multilateral and bilateral development financial institutions are not permitted to participate in this Issue.

FIIs are permitted to participate in the Issue only under the Portfolio Investment Scheme, subject to compliance with all applicable laws and such that the shareholding of the FIIs does not exceed specified limits as prescribed under applicable laws in this regard.

No single FII can hold more than 10% of the post Issue paid-up capital of the Company. In respect of a FII investing in the Equity Shares offered in the Issue on behalf of its eligible sub-accounts, the investment on behalf of each eligible sub-account shall not exceed 10% of the Company's total issued capital. **The aggregate FII holding in the Company cannot exceed 24% of the total issued capital of the Company.**

Note: Each eligible sub-account of a FII, other than a sub-account which is a foreign corporate or foreign individual, will need to submit separate ASBA Applications. FIIs or sub-accounts of FIIs, are required to indicate the SEBI FII/sub-account registration number in the ASBA Applications.

No Allotment shall be made pursuant to the Issue, either directly or indirectly, to any QIB being a Promoter or any person related to the Promoter(s). QIBs which have all or any of the following rights shall be deemed to be persons related to Promoter(s):

a) rights under a shareholders' agreement or voting agreement entered into with a Promoter or persons related to the Promoters;

b) veto rights; or

c) right to appoint any nominee director on the Board.

Provided that a QIB which does not hold any Equity Shares and which has acquired the said rights in the capacity of a lender shall not be deemed to be a person related to the Promoters.

Applicants are advised to make their independent investigations and satisfy themselves that they are eligible to apply. Applicants are advised to ensure that the number of Equity Shares for which they have provided ASBA Applications in the Issue 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 Preliminary Offer Document. Further, Applicants are required to satisfy themselves that their ASBA Applications would not result in triggering a tender offer under the Takeover Regulations.

A minimum of 25% of the aggregate number of Equity Shares to be Allotted in the Issue shall be Allocated and Allotted to Mutual Funds and Insurance Companies, subject to receipt of valid ASBA Applications at or

above the Issue Price, provided that if this portion or any part thereof to be Allocated and Allotted to Mutual Funds and Insurance Companies remains unsubscribed, such minimum portion or part thereof may be Allotted to other Eligible QIBs. For further details, please see "- *Basis of Allocation*"

Affiliates or associates of the Book Running Lead Managers who are Eligible QIBs may participate in the Issue in compliance with applicable laws.

No person connected with the Issue shall offer any incentive, direct or indirect, in any manner, whether in cash, kind, services or otherwise, to any Applicant for making an ASBA Application.

Number of Allottees

The Equity Shares offered in the Issue will not be Allotted to less than 10 Allottees.

The Applicant can make an ASBA Application for up to 25% of the Issue Size (assuming exercise of the Over Allotment Option in full). However, as provided in the SEBI Regulations, no single Allottee shall be Allotted more than 25% of the aggregate number of the Equity Shares Allotted in the Issue.

Provided further that Eligible QIBs belonging to the same group or those who are under common control shall be deemed to be a single Allottee for the purpose of the foregoing.

i. The expression 'belong to the same group' shall have the same meaning as 'companies under the same group' as provided in sub-section (11) of Section 372 of the Companies Act:

   <u>Section 372(11) of the Companies Act</u> - "*For the purposes of this section, a body corporate shall be deemed to be in the same group as the investing company-*

   a.if the body corporate is the managing agent of the investing company; or

   b.*if the body corporate and the investing company should, in virtue of subsection (1B) of section 370, be deemed to be under the same management*."

Under Section 370(1B) of the Companies Act, two bodies corporate are deemed to be under the same management if any of the following conditions are satisfied:

(a) The managing agent, secretaries and treasurers, managing director or manager of one body corporate is the managing agent, secretary or treasurer, managing director or manager of the other body corporate or a partner in a firm acting as the managing agents or secretaries and treasurers of the other body corporate or a director of a private company acting as managing agent or secretaries and treasurers of the other body corporate;

(b) A majority of the directors of the one body corporate constitute or at any time within the immediately preceding six months have constituted a majority of the directors on the board of the other body corporate;

(c) Not less than one-third of the total voting power with respect to any matter relating to each of the two bodies corporate is exercised or controlled by the same individual or body corporate;

(d) The holding company of one body corporate is under the same management as the other body corporate within the meaning of (a), (b) or (c) above; and

(e) One of more directors of one body corporate hold, either by themselves or together with their relatives, the majority of the shares in the other body corporate.

ii. The expression 'control' shall have the same meaning as is assigned to it under Regulation 2(1)(e) of the Takeover Regulations:

   Regulation 2(1)(e) of the Takeover Regulations – *""control" includes the right to appoint majority of the* *directors or to control the management or policy decisions exercisable by a person or persons acting individually or in concert, directly or indirectly, including by virtue of their shareholding or management rights or shareholders agreements or voting agreements or in any other manner:*

Provided that a director or officer of a target company shall not be considered to be in control over such target company, merely by virtue of holding such position."

Information for the Applicants

(a) Only ASBA mode of payment can be used by Eligible QIBs to participate in this Issue.

(b) The Company, in consultation with the BRLMs, will decide the Floor Price or the Price Band for the Issue and the same shall be announced at least one day prior to the Issue Opening Date.

(c) The Company will publish the Issue Opening Date and the Issue Closing Date in the Floor Price/ Price Band Announcement. The Issue Period shall be for a minimum of one Working Day and shall not exceed two Working Days.

(d) The Company has filed this Preliminary Offer Document with the RoC at least three days before the Issue Opening Date.

(e) Once a duly filled in ASBA Application is submitted by an Applicant, such ASBA Application constitutes an irrevocable offer and cannot be withdrawn. In addition, the price per Equity Share and/or the number of Equity Shares applied for in an ASBA Application cannot be revised downwards.

(f) The Company shall open the Public Issue Account with the Public Issue Account Bank in terms of Section 73 of the Companies Act to receive monies on the Designated Date from the ASBA Accounts.

(g) Upon the receipt of the ASBA Applications, the Company, after the closure of the Issue, shall determine the Issue Price for the Equity Shares offered in the Issue and the number of Equity Shares to be issued at the Issue Price, in consultation with the Book Running Lead Managers and in accordance with the Allotment Criteria. Upon finalisation of the Basis of Allocation, the Company will issue CANs to the successful Applicants. The dispatch of the CANs shall be deemed a valid, binding and irrevocable agreement on the part of the Applicant to subscribe to such number of Equity Shares as mentioned in their respective CANs at the Issue Price indicated in such CAN. The CAN shall contain details such as the number of Equity Shares Allocated to the Applicant and the Issue Price.

(h) The Company shall take all steps to ensure that listing and commencement of trading of the Equity Shares Allotted in the Issue at the Stock Exchanges is within 12 Working Days of the Issue Closing Date.

(i) The Company or the Book Running Lead Managers shall not be responsible for any delay or non-receipt of the communication of the final listing and trading permissions from the Stock Exchanges or any loss arising from such delay or non-receipt. Final listing and trading approvals granted by the Stock Exchanges are also placed on their respective websites. Applicants are advised to apprise themselves of the status of the receipt of the listing and trading approvals from the Stock Exchanges or the Company.

(j) The Company will issue a statutory advertisement after the filing of the Offer Document with the RoC in terms of Regulation 66 of the SEBI Regulations, in an English national newspaper, a Hindi national newspaper and a Marathi newspaper, each with wide circulation.

(k) In case of a Mutual Fund, a separate ASBA Application can be made in respect of each scheme of the Mutual Fund registered with SEBI and such ASBA Applications in respect of more than one scheme of the Mutual Fund will not be treated as multiple ASBA Applications, provided that the ASBA Applications clearly indicate the scheme concerned for which it has been made. No Mutual Fund scheme can invest more than 10% of its net asset value in equity shares or equity related instruments of any single 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. Further, no single Mutual Fund shall be Allocated and Allotted more than 25% of the aggregate number of the Equity Shares Allotted in the Issue.

Pre-Issue Advertisement

Subject to Section 66 of the Companies Act, the Company shall, after registering this Preliminary Offer Document with the RoC, publish a pre-Issue advertisement, in the form prescribed by the SEBI Regulations, in an English national newspaper, a Hindi national newspaper and a Marathi newspaper, each with wide circulation.

ASBA Application and Revision Form

The ASBA Application and the Revision Form shall be in the form prescribed by SEBI pursuant to the circular dated September 27, 2011, to the extent applicable to the Issue.

By making an application for the Equity Shares offered in the Issue through an ASBA Application, an Applicant will be deemed to have made the representations, warranties and agreements made under "***Representations by Investors***", "***Selling Restrictions***" and "***Transfer Restrictions***".

SCSBs would be entitled to a processing fee of Rs. 25 per valid ASBA Application collected by the members of the Syndicate in the Specified Cities and submitted to the SCSBs. No selling commission is payable in respect of ASBA Applications procured in the Issue.

Method and Process of Bidding

(a) ASBA Applications will be available with the SCSBs, the members of the Syndicate (only in the Specified Cities) and at the Registered Office of the Company. Electronic ASBA Applications will be available on the website of the Stock Exchanges and the Designated Branches of the SCSBs.

(b) Any eligible Applicant may obtain a copy of this Preliminary Offer Document and the ASBA Applications from the Registered Office of the Company.

(c) Applicants should approach the Designated Branches of the SCSBs or the members of the Syndicate (only in the Specified Cities) to submit their ASBA Applications.

(d) Applicants may submit their ASBA Applications, and / or the Revision Forms, during the Issue Period to (i) the members of the Syndicate in the Specified Cities; (ii) the Designated Branches of the SCSBs where the ASBA Account is maintained; or (iii) in electronic form to the SCSBs with whom the ASBA Account is maintained. For details, the Applicants should contact the SCSBs where the ASBA Account is maintained. The SCSBs may provide the electronic mode of bidding either through an internet enabled bidding and banking facility or through any secured, electronically enabled mechanism for bidding and blocking funds in the ASBA Account.

(e) ASBA Applications submitted directly to the SCSBs should bear the stamp of the SCSBs and the ASBA Application submitted to the members of the Syndicate in the Specified Cities should bear the stamp of the member of the Syndicate. Applicants also have an option to submit the ASBA Application in electronic form or submit ASBA Applications through the members of the Syndicate in the Specified Cities.

(f) For ASBA Applications submitted to the members of the Syndicate in the Specified Cities, the members of the Syndicate shall upload the details of the ASBA Application onto the electronic bidding system of the Stock Exchanges and deposit a schedule (containing certain information including the ASBA Application number and the Application Amount) along with the ASBA Application with the relevant branch of the SCSB, named by such SCSB to accept such ASBA Applications from the members of the Syndicate in such Specified City (A list of such branches is available at http://www.sebi.gov.in/cms/sebi_data/attachdocs/1330923557201.html). The relevant branch of the SCSB shall block an amount equal to the Application Amount specified in the ASBA Application in the ASBA Account. For ASBA Applications submitted directly to the SCSBs, the relevant SCSB shall block an amount equal to the Application Amount specified in the ASBA Application in the ASBA Account, before entering the required details of the ASBA Application into the electronic bidding system.

(g) The Applicant should mention its PAN allotted under the I.T. Act in the ASBA Application. Any ASBA Application without the PAN is liable to be rejected. Applicants should not submit the GIR number instead of the PAN as the ASBA Application is liable to be rejected on this ground.

(h) The Registrar to the Issue shall validate the details of the ASBA Application uploaded on the electronic bidding system of the Stock Exchanges with the Depository records and the complete reconciliation of the final certificates received from the SCSBs with the electronic details of the ASBA Applications.

Applicants should note that in case the DP ID, Client ID and PAN mentioned in the ASBA Application and entered into the electronic bidding system of the Stock Exchanges by the Syndicate/ SCSBs do not match with the DP ID, Client ID and PAN available in the database of Depositories, the ASBA Application is liable to be rejected.

(i) Each ASBA Application will give the Applicant the option to indicate up to three prices within the Price Band or at or above the Floor Price, as the case may be, and specify the demand (i.e., the number of Equity Shares applied for at each such price). The number of Equity Shares applied for by an Applicant at or above the Floor Price or within the Price Band, as the case may be, will be considered for Allocation and Allotment in accordance with the Basis of Allocation. The highest value indicated by the Applicant in the ASBA Application to subscribe for the Equity Shares applied for in the ASBA Application shall be blocked in the ASBA Account of such Applicant. After determination of the Issue Price, the maximum number of Equity Shares applied for by an Applicant at or above the Issue Price will be considered for Allocation and the rest of the options will become automatically invalid.

(j) The Applicant cannot submit another ASBA Application after one ASBA Application has been submitted to the SCSBs or any member of the Syndicate. Submission of a second ASBA Application to either the same or to another SCSBs or any member of the Syndicate will be treated as multiple applications and is liable to be rejected either before entering the required details of the ASBA Application into the electronic bidding system, or at any point of time prior to the Allotment of the Equity Shares offered in this Issue. However, the Applicant can revise the price per Equity Share or the number of Equity Shares applied for upwards through the Revision Form, the procedure for which is detailed under the paragraph titled "-***Revision of ASBA Application***".

(k) Upon receipt of an ASBA Application from the Applicant, in physical mode, the Designated Branches of the SCSBs shall verify if sufficient funds equal to the Application Amount are available in the ASBA Account, as mentioned in the ASBA Application, prior to uploading details of the ASBA Application on the electronic bidding system of the Stock Exchanges.

(l) If sufficient funds are not available in the ASBA Account, the Designated Branches of the SCSBs shall reject such ASBA Application and shall not upload the details of the ASBA Application on the electronic bidding system of the Stock Exchanges.

(m) If sufficient funds are available in the ASBA Account, the SCSB shall block an amount equivalent to the Application Amount mentioned in the ASBA Application and will enter the details of the ASBA Application into the electronic bidding system and generate a TRS for each price and demand option. It is the Applicant's responsibility to obtain the TRS from the members of the Syndicate or the Designated Branches of the SCSBs. Such TRS will be non-negotiable and by itself will not create any obligation of any kind.

(n) The Application Amount shall remain blocked in the aforesaid ASBA Account until the finalisation of the Basis of Allocation, the dispatch of the CAN and consequent transfer of the Application Amount for the Allotted Equity Shares to the Public Issue Account from the ASBA Accounts, or alternatively, until the withdrawal of the Issue or the rejection of the ASBA Application, as the case may be. Once the Basis of Allocation is finalised and the CAN is dispatched, the Registrar to the Issue shall send an appropriate request to the SCSBs to unblock the relevant ASBA Accounts and to transfer the amount due on the Equity Shares to be Allotted to the successful Applicants to the Public Issue Account on the Designated Date.

(o) In case the Company withdraws or cancels the Issue, the Registrar to the Issue shall give instructions to the SCSBs to unblock the Application Amounts in the relevant ASBA Accounts of the Applicants within one day of receipt of such instruction. The Company shall also inform the Stock Exchanges of such cancellation or withdrawal.

Electronic Registration of ASBA Applications

(a) The members of the Syndicate and the SCSBs will register the ASBA Applications received, using the electronic bidding system of the Stock Exchanges.

(b) The members of the Syndicate and the SCSBs may undertake modification of selected fields in the details under the ASBA Application already uploaded within one Working Day from the Issue Closing Date.

(c) Neither the Company nor the Registrar to the Issue shall be responsible for any acts, mistakes or errors or omission and commissions in relation to (i) the ASBA Applications accepted by the members of the Syndicate or the SCSBs, (ii) the details under the ASBA Applications uploaded by the members of the Syndicate or the SCSBs, or (iii) the ASBA Applications accepted but not uploaded by the members of the Syndicate or the SCSBs.

(d) The SCSBs shall be responsible for any acts, mistakes, errors or omissions and commissions in relation to (i) the ASBA Applications accepted by them, (ii) the details under the ASBA Applications uploaded by them, (iii) the ASBA Applications accepted but details not uploaded by them, and (iv) the ASBA Applications accepted and details uploaded without blocking funds in the ASBA Accounts. It shall be presumed that for ASBA Applications uploaded by the SCSBs, the full Application Amount has been blocked in the relevant ASBA Account and can be transferred to the Public Issue Account on the Designated Date.

(e) The Stock Exchanges will offer an electronic facility for registering details under the ASBA Applications for the Issue. This facility will be available with the Syndicate and their authorised agents and the SCSBs during the Issue Period. The members of the Syndicate and the Designated Branches of the SCSBs can also set up facilities for off-line electronic registration of details under the ASBA Applications, subject to the condition that they will subsequently upload the off-line data file into the electronic facilities offered by the Stock Exchanges. On the Issue Closing Date, the members of the Syndicate and the Designated Branches of the SCSBs shall upload the details under the ASBA Applications on the electronic bidding system of the Stock Exchanges till such time as may be permitted by the Stock Exchanges.

(f) The permission given by the Stock Exchanges to use its network and software of the electronic bidding system should not in any way be deemed or construed to mean that the compliance with various statutory and other requirements by the Company, the members of the Syndicate or the SCSBs are cleared or approved by the Stock Exchanges; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the compliance with the statutory and other requirements nor does it take any responsibility for the financial or other soundness of the Company or any scheme or project of the Company; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this Preliminary Offer Document; nor does it warrant that the Equity Shares offered in the Issue will be listed or will continue to be listed on the Stock Exchanges.

(g) The aggregate demand shall be displayed by Stock Exchanges without disclosing the price.

(h) With respect to details under the ASBA Applications submitted to the SCSBs, the SCSBs shall enter the following details in the electronic bidding system of the Stock Exchanges:

- ASBA Application number;
- PAN;
- DP ID and Client ID number of the beneficiary account of the Applicant;
- Application Amount;
- ASBA Account number;
- Category of the Applicant;

- Numbers of Equity Shares applied for; and
- Price per Equity Share.

(i) With respect to details under the ASBA Applications submitted to the members of Syndicate at the Specified Cities, the members of Syndicate shall enter the following details in the electronic bidding system of the Stock Exchanges:

- ASBA Application number;
- PAN;
- DP ID and Client ID number of the beneficiary account of the Applicant;
- Application Amount;
- ASBA Account number (not compulsory);
- Category of the Applicant;
- Numbers of Equity Shares applied for;
- Price per Equity Share;
- Bank code for the SCSB where the ASBA Account is maintained; and
- Name of the Specified City.

(j) Each ASBA Application will give the Applicant the choice to apply for up to three optional prices at or above the Floor Price or within the Price Band, as the case may be, and to specify the demand (i.e., the number of Equity Shares applied for) at each such price.

(k) TRS will be generated when the ASBA Application is registered for each price and demand option. The registration of the ASBA Application by the member of the Syndicate or the Designated Branches of the SCSBs does not guarantee that the Equity Shares shall be Allocated/Allotted either by the members of the Syndicate or the Company.

(l) Only those ASBA Applications details of which are uploaded on the electronic bidding system of the Stock Exchanges shall be considered for the Allocation and Allotment. Members of the Syndicate and the SCSBs will be given up to one Working Day after the Issue Closing Date to verify the DP ID and Client ID uploaded on the electronic bidding system of the Stock Exchanges during the Issue Period, after which the Registrar to the Issue will receive this data from the Stock Exchanges and will reconcile and validate the details of the ASBA Application uploaded on the electronic bidding system of the Stock Exchanges with the Depositories records. In case no corresponding record is available with the Depositories, which matches the three parameters, namely, DP ID, Client ID and PAN, then such ASBA Applications are liable to be rejected.

(m) The details of the ASBA Applications uploaded on the electronic bidding system of the Stock Exchanges shall be considered as final and Allocation and Allotment will be based on such details.

Revision of ASBA Applications

(a) During the Issue Period, any Applicant who has submitted an ASBA Application subscribing to a specific number of Equity Shares at a particular price level may revise upwards the number of Equity Shares applied for and/or the price per Equity Shares within the Price Band or at or above the Floor Price, as the case may be, using the printed Revision Form, which is a part of the ASBA Application. **An ASBA Application cannot be withdrawn and the price per Equity Share and/or the number of Equity Shares applied for cannot be revised downwards**.

(b) Upward revisions can be made in both the desired number of Equity Shares and the price per Equity Share by using the Revision Form. The members of the Syndicate and the Designated Branches of the SCSBs will not accept incomplete or inaccurate Revision Forms.

(c) The Applicant can make this upward revision any number of times during the Issue Period. However, for any revision(s) in the ASBA Application, the Applicants will have to use the services of the same member of the Syndicate or the SCSB through whom such Applicant had placed the original ASBA Application.

Applicants are advised to retain copies of the blank Revision Form and any revision in the ASBA Application must be made only in such Revision Form or copies thereof.

(d) Apart from mentioning the revised options in the Revision Form, the Applicant must also mention the details of all the options in his or her ASBA Application or earlier Revision Form. For example, if an Applicant has applied for three options in the ASBA Application and such Applicant is changing only one of the options in the Revision Form, the Applicant must still fill the details of the other two options that are not being revised, in the Revision Form. The Syndicate and the Designated Branches of the SCSBs will not accept incomplete or inaccurate Revision Forms.

(e) In case of revision of the number of Equity Shares and/or the price per Equity Share, the relevant SCSB shall block the additional Application Amount in the ASBA Account of such Applicant. The Registrar to the Issue will reconcile the ASBA Application data and consider the revised ASBA Application data for preparing the Basis of Allocation.

(f) When an Applicant revises its ASBA Application, it should surrender the earlier TRS and request for a revised TRS from the members of the Syndicate or the SCSB as proof of it having revised the previous ASBA Application.

Allocation

(a) Allocation to FIIs, applying on repatriation basis will be subject to applicable law, rules, regulations, guidelines and approvals.

(b) A minimum of 25% of the aggregate number of Equity Shares to be Allotted in the Issue shall be Allocated and Allotted to Mutual Funds and Insurance Companies, subject to valid ASBA Applications being received at or above the Issue Price, provided that if this portion or any part thereof to be Allotted to Mutual Funds and Insurance Companies remains unsubscribed, such minimum portion or part thereof may be Allotted to other Eligible QIBs.

(c) The Equity Shares will be Allotted to at least 10 Allottees under the Issue. The Applicant can make an ASBA Application for up to 25% of the Issue Size (assuming exercise of the Over Allotment Option in full). However, as provided in the SEBI Regulations, no single Allottee shall be Allotted more than 25% of the aggregate number of the Equity Shares Allotted in the Issue. See "- ***Number of Allottees***".

Price Discovery

(a) Based on the demand for the Equity Shares offered in the Issue generated at various price levels, the Company, in consultation with the BRLMs, shall finalise the Issue Price.

(b) The Issue Price shall be the price at or above the Floor Price, or within the Price Band, as the case may be. The Equity Shares offered in the Issue shall be Allocated and Allotted at the Issue Price.

Allotment Criteria

The Equity Shares offered in the Issue will be Allocated and Allotted to successful Applicants as per the proportionate method.

Basis of Allocation

- ASBA Applications received at or above the Issue Price shall be grouped together to determine the total demand for the Equity Shares offered in the Issue. The Allocation and Allotment to all successful Applicants will be made at the Issue Price finalised by the Company, in consultation with the BRLMs.

- The Allocation shall be undertaken in the following manner:

  (a) In the first instance, Allocation to Mutual Funds and Insurance Companies for 25% of the aggregate number of Equity Shares to be Allotted in the Issue shall be determined as follows:

    - In the event that the aggregate demand from Mutual Funds and Insurance Companies exceeds 25% of the aggregate number of Equity Shares to be Allotted in the Issue, then subject to valid ASBA Applications received at or above the Issue Price, Allocation to Mutual Funds and Insurance Companies shall be made on a proportionate basis at the Issue Price as per the Allocation criteria mentioned below for 25% of the aggregate number of Equity Shares to be Allotted in the Issue.

    - In the event that the aggregate demand from Mutual Funds and Insurance Companies is equal to or less than 25% of the aggregate number of Equity Shares to be Allotted in the Issue, then all Mutual Funds and Insurance Companies shall get full Allocation at the Issue Price to the extent of valid ASBA Applications received at or above the Issue Price.

    - In the event that the aggregate demand from Mutual Funds and Insurance Companies exceeds 25% of the aggregate number of Equity Shares to be Allotted in the Issue, then the additional demand from Mutual Funds and Insurance Companies after Allocation of 25% of the aggregate number of Equity Shares to be Allotted in the Issue, shall be aggregated with the portion to be Allocated to other Eligible QIBs.

    - In the event subscription from Mutual Funds and Insurance Companies is below 25% of the aggregate number of Equity Shares to be Allotted in the Issue, the Equity Shares offered in the Issue that remain unsubscribed shall be available for Allocation to other Eligible QIBs as set out in (b) below.

  (b) In the second instance, Allocation to all Applicants shall be determined as follows:

    - All Applicants who have submitted valid ASBA Applications at or above the Issue Price shall be Allocated Equity Shares offered in the Issue at the Issue Price on a proportionate basis as per the Allocation criteria mentioned below, until the Equity Shares offered in the Issue representing up to 75% of the Issue Size or such number of Equity Shares offered in the Issue as may remain after Allocation to Mutual Funds and Insurance Companies are exhausted.

    - Mutual Funds and Insurance Companies, who have received Allocation as per (a) above, for less than the number of Equity Shares applied for by them, are eligible to receive Equity Shares on a proportionate basis as per the Allocation criteria mentioned below along with the other Eligible QIBs. For the purpose of Allocation to Mutual Funds and Insurance Companies in this category, quantity of Equity Shares applied for in the Issue less the Equity Shares Allocated as per (a) above shall be considered for Allocation.

    - In the event subscription from Mutual Funds and Insurance Companies pursuant to (a) above is below 25% of the aggregate number of Equity Shares to be Allotted in the Issue, such portion which remains unsubscribed would be included for Allocation along with the other Eligible QIBs on a proportionate basis.

Proportionate Method

The Allocation and Allotment shall be made on a proportionate basis as explained below:

(a) The number of Equity Shares applied for in the Issue at or above the Issue Price shall first be aggregated.

(b) Number of Equity Shares to be Allocated to the successful Applicants will be calculated on a proportionate basis, which is total number of Equity Shares applied for by each Applicant multiplied by the inverse of the over-subscription ratio, where oversubscription ratio means the ratio of the total number of Equity Shares applied for in the Issue and the remaining number of Equity Shares offered in the Issue that are available for Allocation.

(c) If the determination of proportionate Allocation to an Applicant is not a multiple of one (which is the marketable lot), the decimal would be rounded off to the higher whole number if that decimal is 0.5 or higher. If that number is lower than 0.5 it would be rounded off to the lower whole number. Allocation and Allotment to all Applicants would be arrived at after such rounding off.

THE DECISION OF THE COMPANY AND THE BOOK RUNNING LEAD MANAGERS IN RESPECT OF ALLOCATION AND ALLOTMENT SHALL BE BINDING ON ALL APPLICANTS.

Issuance of the CAN

(a) Upon approval of the Basis of Allocation by the Stock Exchanges and the dispatch of the CAN, the Registrar to the Issue shall send to the Book Running Lead Managers a list of the Applicants who would be Allotted Equity Shares in the Issue.

(b) The Company will then issue a CAN to the Applicants who have been Allocated Equity Shares in the Issue.

(c) The dispatch of the CAN shall be deemed a valid, binding and irrevocable agreement on part of the Applicant to subscribe to the Equity Shares Allocated to such Applicant at the Issue Price.

(d) On the basis of the approved Basis of Allocation, the Company shall pass necessary corporate action for Allotment of Equity Shares in the Issue.

RoC Filing

The Company will update and deliver a copy of the updated Preliminary Offer Document for registration to the RoC in accordance with the applicable law, which then would be termed as the ‘Offer Document’. The Offer Document will contain details of the Issue and will be complete in all material respects. The Company will register a copy of the Offer Document with the RoC in terms of relevant provisions of the Companies Act.

Advertisement under Regulation 66 of the SEBI Regulations

The Company will issue a statutory advertisement after the filing of the Offer Document with the RoC in terms of Regulation 66 of the SEBI Regulations, in an English national newspaper, a Hindi national newspaper and a Marathi newspaper, each with wide circulation. Any material updates between the date of this Preliminary Offer Document and the date of Offer Document will be included in such statutory advertisement.

Designated Date and Allotment of Equity Shares offered in the Issue

(a) The Company will ensure that (i) the Allotment of Equity Shares offered in the Issue; and (ii) credit to the successful Applicant’s depositary account will be completed within 12 Working Days of the Issue Closing Date. After the funds blocked by the SCSBs are transferred from the ASBA Accounts to the Public Issue Account on the Designated Date, the Company will ensure that the credit of the Equity Shares to the successful Applicant’s depository account is completed within two Working Days from the date of Allotment.

(b) In accordance with the SEBI Regulations, Equity Shares offered in the Issue will be issued and Allotment shall be made only in the dematerialised form to the Allottees.

(c) Allottees will have the option to re-materialise the Equity Shares so Allotted in the Issue as per the provisions of the Companies Act and the Depositories Act.

(d) In case of an over subscription to the Issue, an Allotment of not more than 744,255 Equity Shares may be made by the Company in consultation with the Book Running Lead Managers, under the Over Allotment Option. The Over Allotment Option shall be exercised by the Company on or prior to dispatch of CANs. The Allotment under the Over Allotment Option shall not result in an increase in the public shareholding in the Company by more than such percentage as is required for the Company to achieve the required minimum public shareholding.

(d) The Equity Shares will be Allotted to at least 10 Allottees under the Issue. The Applicant can make an ASBA Application for up to 25% of the Issue Size (assuming exercise of the Over Allotment Option in full). However, as provided in the SEBI Regulations, no single Allottee shall be Allotted more than 25% of the aggregate number of the Equity Shares Allotted in the Issue. See "- ***Number of Allottees***".

Applicants are advised to instruct their Depository Participant to accept the Equity Shares that may be Allotted to them pursuant to this Issue.

GENERAL INSTRUCTIONS

(a) Check if you are eligible to apply;

(b) Ensure that the price per Equity Share you have included in the ASBA Applications is a price per Equity Share at or above the Floor Price or within the Price Band, as the case may be;

(c) Do not apply for or revise the prices indicated in the ASBA Application to a price higher than the Cap Price, if applicable;

(d) Ensure that the details about the Depository Participant and the beneficiary account are correct as Allotment of Equity Shares in the Issue will be in the dematerialised form only;

(e) Ensure that the ASBA Applications are submitted either to the members of the Syndicate (only in Specified Cities) or at a Designated Branch of the SCSB where the Applicant or the person whose ASBA Account will be utilised by the Applicant for bidding has an ASBA Account;

(f) Ensure that the ASBA Application is signed by the account holder(s) or an authorised signatory on behalf of the account holder, in case the Applicant is not the account holder. Ensure that you have mentioned the correct ASBA Account number in the ASBA Application;

(g) Ensure that the ASBA Application is completed in full, in BLOCK LETTERS in ENGLISH and in accordance with the instructions contained herein, in the ASBA Application or in the Revision Form. Applicants should note that the members of the Syndicate and / or the SCSBs, as appropriate, will not be liable for errors in data entry due to incomplete or illegible ASBA Applications or Revision Forms;

(h) Ensure that you request for and receive a TRS for each of the options applied for in the ASBA Application;

(i) Ensure that you have funds equal at least to the Application Amount in your ASBA Account maintained with the SCSB before submitting the ASBA Application to the respective Designated Branch of the SCSB or the member of the Syndicate in Specified Cities;

(j) Submit revised ASBA Applications to the same member of the Syndicate/SCSB through whom the original ASBA Application was placed and obtain a revised TRS;

(k) Ensure that the Demographic Details (as defined herein below) are updated, true and correct in all respects;

(l) Ensure that the name given in the ASBA Application is exactly the same as the name in which the beneficiary account is held with the Depository Participant;

(m) Ensure that the DP ID, the Client ID and the PAN mentioned in the ASBA Application and entered into the electronic bidding system of the Stock Exchanges by the members of the Syndicate match with the DP ID, Client ID and PAN available in the Depository database;

(n) Ensure that you use the ASBA Application bearing the stamp of the relevant SCSB and/or the Designated Branch of the SCSB and/or the member of the Syndicate (except in case of electronic forms);

(o) Applicants bidding through Syndicate should ensure that the ASBA Application is submitted to a member of the Syndicate only in the Specified Cities and that the SCSB where the ASBA Account, as specified in the ASBA Application, is maintained has named at least one branch in the Specified Cities for the members of the Syndicate to deposit the ASBA Applications;

(p) Ensure that in case of ASBA Applications made under power of attorney, relevant documents are submitted;

(q) Ensure that ASBA Applications submitted by Eligible QIBs resident outside India should be in compliance with applicable foreign and Indian laws;

(r) Ensure that you have correctly signed the authorisation/undertaking box in the ASBA Application, or have otherwise provided an authorisation to the SCSB via the electronic mode, for blocking funds in the ASBA Account equivalent to the Application Amount mentioned in the ASBA Application;

(s) ASBA Applications made on a repatriation basis shall be in the name of FIIs under the Portfolio Investment Scheme;

(t) Do not fill up the ASBA Application such that the number of Equity Shares applied for exceeds 25% of the Issue Size (assuming exercise of the Over Allotment Option in full) 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; and

(u) Information provided by the Applicants will be uploaded on the electronic bidding system of the Stock Exchanges by the members of the Syndicate and the SCSBs, as the case may be, and the electronic data will be used to make Allocation and Allotment. Please ensure that the details are correct and legible.

Applicant’s PAN, Depository Account and ASBA Account Details

Applicants should note that on the basis of PAN of the Applicants, DP ID and Client ID entered into the electronic bidding system of the Stock Exchanges by the members of the Syndicate or SCSBs, the Registrar to the Issue will obtain from the Depository the demographic details including address, Applicants’ ASBA Account details, and PAN registered with the Depository (the “Demographic Details”). These Demographic Details would be used for processing, including identifying ASBA Applications to be rejected on technical grounds and unblocking of ASBA Account. Hence, Applicants are advised to immediately update their Demographic Details as appearing on the records of the Depository Participant. Please note that failure to do so could result in delays in unblocking of the ASBA Account at the Applicants sole risk and none of the BRLMs, the Registrar to the Issue, the Syndicate Member, the SCSBs or the Company shall have any responsibility and undertake any liability for the same. Hence, Applicants should carefully fill in their Depository Account details in the ASBA Application.

The Demographic Details would be used for all correspondence with the Applicants including mailing of the CANs. The Demographic Details given by Applicants in the ASBA Application would not be used for any other purpose by the Registrar to the Issue.

By signing the ASBA Application, the Applicant 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.

The CAN will be mailed at the address of the Applicant as per the Demographic Details received from the Depositories or the email address provided by the Applicant in the ASBA Application. Applicants may note that delivery of the CAN may get delayed if the same once sent to the address obtained from the Depositories are returned undelivered. Please note that any such delay shall be at such Applicant’s sole risk and none of the Company, BRLMs, Syndicate Member or the Registrar to the Issue shall be liable to compensate the Applicant for any losses caused to the Applicant due to any such delay or liable to pay any interest for such

delay.

In case no corresponding record is available with the Depositories, which matches the parameters, namely, PAN of the Applicant, the DP ID and Client ID, then such ASBA Application is liable to be rejected.

ASBA Applications made under Power of Attorney

In case of ASBA Applications made pursuant to a power of attorney or by FIIs, Mutual Funds, Insurance Companies and provident funds with a minimum corpus of ₹ 250 million (subject to applicable law) and pension funds with a minimum corpus of ₹ 250 million, 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 ASBA Application.

In addition to the above, certain additional documents are required to be submitted by the following entities:

(a) With respect to ASBA Applications by FIIs and Mutual Funds, a certified copy of their SEBI registration certificate must be lodged along with the ASBA Application.

(b) With respect to ASBA Applications by Insurance Companies, in addition to the above, a certified copy of the certificate of registration issued by the Insurance Regulatory and Development Authority must be lodged along with the ASBA Application.

(c) With respect to ASBA Applications made by provident funds with a minimum corpus of ₹ 250 million (subject to applicable law) and pension funds with a minimum corpus of ₹ 250 million, a certified copy of a certificate from a chartered accountant certifying the corpus of the provident fund/pension fund must be lodged along with the ASBA Application.

PAYMENT INSTRUCTIONS

Payment mechanism for Applicants

The Applicants shall specify the ASBA Account number in the ASBA Application. The SCSB shall block an amount equivalent to the Application Amount in the ASBA Account specified in the ASBA Application and each Applicant or the account holder shall be deemed to have agreed to block such amount. In case of revision of the number of Equity Shares applied for or the price per Equity Share, the SCSB shall block additional Application Amount in the ASBA Account of such Applicant and the Applicants or the account holder shall be deemed to have agreed to block such amount.

The Application Amount shall remain blocked in the ASBA Account until finalisation of the Basis of Allocation in the Issue, dispatch of the CAN and consequent transfer of the Application Amount to the Public Issue Account, until rejection of the ASBA Applications or until withdrawal of the Issue, as the case may be. In the event of rejection of the ASBA Application or for unsuccessful or partially successful ASBA Applications, the Registrar to the Issue shall give instructions to the SCSB to unblock the application money in the relevant ASBA Account and the same shall be acted upon by the SCSB concerned within one Working Day of receipt of such instruction.

OTHER INSTRUCTIONS

Multiple Applications

An Applicant should submit only one (and not more than one) ASBA Application.

In case of a Mutual Fund, a separate ASBA Application may be made in respect of each scheme of the Mutual Fund and such ASBA Applications in respect of over one scheme of the Mutual Fund will not be treated as multiple ASBA Applications provided that the ASBA Applications clearly indicate the scheme concerned for which the ASBA Application has been made.

After submitting an ASBA Application, an Applicant cannot submit another ASBA Application, to either the same or another Designated Branch of the SCSB or member of the Syndicate. Submission of a second ASBA

Applications in such manner will be deemed a multiple ASBA Application and would be rejected. However, the Applicants may revise their ASBA Application through the Revision Form, the procedure for which is described in "- ***Revision of ASBA Applications***" above.

Copies of ASBA Applications with the same PAN details shall be treated as multiple ASBA Applications and are liable to be rejected.

The Company, in consultation with the BRLMs, reserves the right to reject, in its absolute discretion, all or all except one of such multiple ASBA Application(s) in any or all categories.

1. All ASBA Applications will be checked for common PAN as per the records of Depository. For Applicants other than Mutual Funds and FII sub-accounts, ASBA Applications bearing the same PAN will be treated as multiple ASBA Applications and will be rejected.

2. For ASBA Applications from Mutual Funds and FII sub-accounts which were submitted under the same PAN, the ASBA Applications will be scrutinised for DP ID and Client ID. In case applications bear the same DP ID and Client ID, these will be treated as multiple applications.

The Registrar to the Issue will obtain, from the depositories, details of the Applicant's address based on the DP ID and Client ID provided in the ASBA Applications.

REJECTION OF ASBA APPLICATIONS

The Company has a right to reject the ASBA Applications based on technical grounds. The Designated Branches of the SCSBs shall have the right to reject ASBA Applications if at the time of blocking the Application Amount in the Applicant's ASBA Account, the respective Designated Branch of the SCSB ascertains that sufficient funds are not available in the Applicant's ASBA Account maintained with the SCSB.

Grounds for Technical Rejections

Applicants are advised to note that ASBA Applications are liable to be rejected *inter alia* on the following technical grounds and for any other reasons after assigning reason for such rejection in writing:

(a) ASBA Applications other than by Eligible QIBs.

(b) Incomplete ASBA Application. For instance, ASBA Application not having details of the ASBA Account to be blocked or not containing the authorisations for blocking the Application Amount in the ASBA Account specified in the ASBA Application;

(c) The amount mentioned in ASBA Application does not tally with the amount payable for the value of the Equity Shares applied for;

(d) PAN not mentioned in the ASBA Application;

(e) ASBA Applications made at a price per Equity Share less than the Floor Price or not within the Price Band, as the case may be;

(f) ASBA Application by Applicants whose demat account have been "suspended for credit" pursuant to the circular issued by SEBI on July 29, 2010 bearing number CIR/MRD/DP/22/2010;

(g) Multiple ASBA Applications as explained in this Preliminary Offer Document. See "- ***Other Instructions – Multiple ASBA Applications***";

(h) ASBA Applications are not delivered by the Applicants within the time prescribed as per the ASBA Applications, the Floor Price / Price Band Announcement and this Preliminary Offer Document and as per the instructions in this Preliminary Offer Document and the ASBA Applications;

(i) In case no matching or corresponding record is available with the Depositories that matches the DP ID and the Client ID;

(j) Inadequate funds in the ASBA Account to block the Application Amount specified in the ASBA Application at the time of blocking such Application Amount in the ASBA Account;

(k) ASBA Application submitted by Applicants to a member of the Syndicate at locations other than the Specified Cities;

(l) ASBA Applications by persons in the United States – other than qualified institutional buyers as defined in Rule 144A of the U.S. Securities Act;

(m) ASBA Applications, details of which are not uploaded on the electronic bidding system of the Stock Exchanges; and

(n) ASBA Applications by persons prohibited from buying, selling or dealing in the shares directly or indirectly by SEBI or any other regulatory authority.

EQUITY SHARES IN DEMATERIALISED FORM WITH NSDL OR CDSL

The Allotment of Equity Shares in this Issue shall be only in a dematerialised form, (*i.e.*, not in the form of physical certificates but be fungible and be represented by the statement issued through the electronic mode).

Applicants can seek Allotment only in dematerialised mode. ASBA Applications from any Applicant without relevant details of its depository account are liable to be rejected.

(a) An Applicant applying for Equity Shares in the Issue must have at least one beneficiary account with a Depository Participant of either NSDL or CDSL prior to making the ASBA Application.

(b) Allotment to a successful Applicant will be credited in electronic form directly to the beneficiary account (with the Depository Participant) of the Applicant as provided in the ASBA Application.

(c) Names in the ASBA Application or Revision Form should be identical to those appearing in the account details in the Depository.

(d) The Applicant is responsible for the correctness of its Demographic Details given in the ASBA Application vis-à-vis those with its Depository Participant.

(e) The trading of the Equity Shares issued pursuant to the Issue of the Company would be in dematerialised form only for all Applicants in the demat segment of the Stock Exchanges.

(f) Non transferable CAN will be directly sent to the Applicants.

The Company or the members of the Syndicate will not be responsible or liable for the delay in the credit of the Equity Shares Allotted in the Issue due to errors in the ASBA Application or otherwise on part of the Applicants.

Communications

All future communications in connection with ASBA Applications made in this Issue should be addressed to the Registrar to the Issue quoting the full name of the Applicant, ASBA Application number, the Applicants' Depository Account details, number of Equity Shares applied for, date of the ASBA Application, name and address of the member of the Syndicate or the Designated Branch of the SCSBs where the ASBA Application was submitted and ASBA Account number in which the amount equivalent to the Application Amount was blocked.

Applicants can contact the Registrar to the Issue in case of any pre-Issue or post- Issue related problems such as non-receipt of the CAN, credit of Allotted Equity Shares in the respective beneficiary accounts etc. In case of ASBA Applications submitted with the Designated Branches of the SCSBs, Applicants can contact the Designated Branches of the SCSBs.

UNBLOCKING THE FUNDS

The Registrar to the Issue shall instruct the relevant SCSBs to unblock the funds in the relevant ASBA Accounts to the extent of the Application Amount specified in the ASBA Applications for rejected or unsuccessful or partially successful ASBA Applications within 12 Working Days of the Issue Closing Date and the same shall be acted upon by the SCSBs within one Working Day of receipt of such instruction.

DISPOSAL OF ASBA APPLICATIONS AND APPLICATION MONEYS AND INTEREST IN CASE OF DELAY

The Company shall take all steps to ensure that listing and commencement of trading of the Equity Shares Allotted in the Issue at the Stock Exchanges is within 12 Working Days of the Issue Closing Date.

In accordance with the Companies Act, the requirements of the Stock Exchanges and the SEBI Regulations, the Company further undertakes that:

(a) Allotment of Equity Shares in the Issue shall be made only in dematerialised form within 12 Working Days of the Issue Closing Date;

(b) Instructions for unblocking of the Applicant's ASBA Account shall be made within 12 Working Days from the Issue Closing Date; and

(c) The Company shall pay interest at 15% per annum for any delay, if Allotment is not made, funds in the relevant ASBA Accounts to the extent of the Application Amount specified in the ASBA Applications for rejected or unsuccessful or partially successful ASBA Applications are not unblocked and/or demat credits are not made to investors within the 12 Working Days.

IMPERSONATION

Attention of the Applicants is specifically drawn to the provisions of sub-section (1) of Section 68A of the Companies Act, which is reproduced below:

"*Any person who:*

(a) makes in a fictitious name, an application to a company for acquiring or subscribing for, any shares therein, or

(b) otherwise induces a company to allot, or register any transfer of shares, therein to him, or any other person in a fictitious name,

***shall be punishable with imprisonment for a term which may extend to five years.*"**

Issue Programme

ISSUE OPENS ON	[●], 2012
ISSUE CLOSES ON	[●], 2012

Details of the Issue programme shall be disclosed in the Floor Price/ Price Band Announcement. Investors should refer to the pre-issue advertisement and the Floor Price / Price Band Announcement for further details.

ASBA Applications and any revision in the ASBA Applications shall be accepted and uploaded only between 10 a.m. (Indian Standard Time, "**IST**") and 5 p.m. IST during the Issue Period as mentioned above by the members of the Syndicate at the Syndicate ASBA Bidding Centers and the Designated Branches of SCSBs as mentioned on the ASBA Application.

Withdrawal of the Issue

The Company reserves the right to withdraw the Issue at any stage prior to Allotment. In such an event, the Company would issue a public notice in the newspapers in which the pre-Issue advertisements were published. The Registrar to the Issue, shall issue instructions to the SCSBs to unblock the ASBA Accounts of the Applicants within one day of receipt of such instructions. The Company shall also inform the Stock Exchanges of such withdrawal.

PLACEMENT

Issue and Placement Agreement

The Book Running Lead Managers have entered into the Issue and Placement Agreement with the Company, pursuant to which the Book Running Lead Managers have agreed to manage the Issue and use reasonable efforts to procure subscription for Equity Shares to be placed with the Eligible QIBs, pursuant to Chapter VIII-A of the SEBI Regulations.

The Issue and Placement Agreement contains customary representations and warranties, as well as indemnities from the Company and is subject to termination in accordance with the terms contained therein.

In case of over subscription in the Issue, the Company in consultation with the Book Running Lead Managers, can exercise the right to Allot an additional up to 744,255 Equity Shares on or prior to dispatch of CANs.

The Company has received in-principle approvals from the Stock Exchanges under Clause 24(a) of the Equity Listing Agreement to list the Equity Shares being offered in the Issue on the Stock Exchanges. After Allotment of the Equity Shares pursuant to the Issue, applications shall be made to list the Equity Shares and admit them to trading on the Stock Exchanges. The Issue is subject to obtaining (i) the final approval of the RoC after the Offer Document is filed with the RoC; and (ii) final listing and trading approvals of the Stock Exchanges, which the Company shall apply for after the Allotment.

In connection with the Issue, the Book Running Lead Managers (or their respective affiliates) may, for their own accounts, enter into asset swaps, credit derivatives or other derivative transactions relating to the Equity Shares at the same time as the offer and issuance of the Equity Shares, or in secondary market transactions. As a result of such transactions, the Book Running Lead Managers may hold long or short positions in such Equity Shares. These transactions may comprise a substantial portion of the Issue and no specific disclosure will be made of such positions. Affiliates of the Book Running Lead Managers may purchase Equity Shares and be Allotted Equity Shares for proprietary purposes and not with a view to distribution or in connection with the issuance of P-Notes. See "***Offshore Derivative Instruments***".

From time to time, the Book Running Lead Managers and certain of their affiliates have provided and continue to provide commercial and investment banking services to us or our affiliates for which they have received and may in the future receive compensation.

Lock-up

The Company has agreed that it will not, without the prior written consent of the Book Running Lead Managers, from the date of the Issue and Placement Agreement and for a period of up to 90 days from the date of Allotment, directly or indirectly: (a) issue, offer, lend, pledge, sell, contract to sell or issue, sell any option or contract to purchase, purchase any option or contract to sell or issue, grant any option, right or warrant to purchase, lend or otherwise transfer or dispose of, directly or indirectly, any Equity Shares, or any securities convertible into or exercisable or exchangeable for the Equity Shares or publicly announce an intention with respect to any of the foregoing; (b) enter into any swap or other agreement that transfers, directly or indirectly, in whole or in part, any of the economic consequences of ownership of Equity Shares or any securities convertible into or exercisable or exchangeable for Equity Shares; (c) deposit Equity Shares or any securities convertible into or exercisable or exchangeable for Equity Shares or which carry the right to subscribe for or purchase Equity Shares in depository receipt facilities or enter into any such transaction (including a transaction involving derivatives) having an economic effect similar to that of a sale or a deposit of Equity Shares in any depository receipt facility; or (d) announce any intention to enter into any transaction whether any such transaction described in (a), (b) or (c) above is to be settled by delivery of the Equity Shares, or such other securities, in cash or otherwise.

The foregoing shall not apply to (i) any grant of options by the Company under the GPL ESOP or the GPL ESGS; or (ii) any issue or allotment of the Equity Shares by the Company pursuant to the exercise of any options awarded under the GPL ESGS.

The Promoters have agreed that they will not, without the prior written consent of the Book Running Lead Managers, from the date of the Issue and Placement Agreement and for a period of up to 90 days from the date of Allotment (the "**Lock-up Period**"), directly or indirectly: (a) issue, offer, lend, sell, pledge, contract to sell or issue, sell any option or contract to purchase, purchase any option or contract to sell or issue, grant any option, right or warrant to purchase, lend or otherwise transfer or dispose of, directly or indirectly, any Equity Shares, or any securities convertible into or exercisable or exchangeable for the Equity Shares or publicly announce an intention with respect to any of the foregoing; (b) enter into any swap or other agreement that transfers, directly or indirectly, in whole or in part, any of the economic consequences of ownership of the Equity Shares or any securities convertible into or exercisable or exchangeable for the Equity Shares; (c) deposit Equity Shares or any securities convertible into or exercisable or exchangeable for Equity Shares or which carry the right to subscribe for or purchase Equity Shares in depository receipt facilities or enter into any transaction (including transaction involving derivatives) having an economic effect similar to that of a sale or a deposit of Shares in any depository receipt facility; or (d) announce any intention to enter into any transaction whether any such transaction described in (a), (b) or (c) above is to be settled by delivery of the Equity Shares, or such other securities, in cash or otherwise.

The foregoing paragraph shall not apply to (a) any *inter-se* transfer of Equity Shares between the Promoters and the Promoter Group, provided that the lock-up shall continue for the remaining period with the transferee and such transferee shall not be eligible to transfer such Equity Shares till the Lock-up Period set out herein has expired; (b) transfer of Equity Shares to the independent trust administering the GPL ESOP; (c) bona fide pledge of lock-up Equity Shares, as collateral for loans as per the normal commercial terms entered into, in the ordinary course of business of the Company, where any arrangement for any such encumbrance as collateral is undertaken with the prior written approval of the Book Running Lead Managers; and (d) any sale, transfer or disposition of such Equity Shares by the Promoters to the extent such sale, transfer or disposition is required by applicable Indian law.

Inter-se Allocation of Responsibilities of the BRLMs

The following table sets forth the *inter se* allocation of responsibilities for various activities among the BRLMs for the Issue:

Sr. No.	Activities	Responsibility	Co-ordinator
1.	Capital structuring with the relative components and formalities	Kotak, UBS	Kotak
2.	Due diligence of the Company including its operations, management, business plans, legal etc. Drafting and design of offer documents and other issue related material such as application forms etc. The BRLMs shall ensure compliance with stipulated requirements and completion of prescribed formalities with the Stock Exchanges, the RoC and SEBI including finalisation of offer documents and the RoC filing.	Kotak, UBS	Kotak
3.	Drafting and approval of all statutory advertisements	Kotak, UBS	Kotak
4.	Review of other publicity material such as corporate advertisements, press releases, etc.	Kotak, UBS	UBS
5.	Appointment of intermediaries, including the Public Issue Account Bank, the Registrar to the Issue, the printers, the advertising agency.	Kotak, UBS	UBS
6.	International institutional marketing strategy, which will cover, *inter alia:* • Finalising the list and division of investors for one to one meetings • Finalising the international road show schedule and investor meeting schedules • Preparing road show presentation and frequently asked questions	Kotak, UBS	UBS
7.	Domestic institutional marketing strategy, which will cover,	Kotak, UBS	Kotak

Sr. No.	Activities	Responsibility	Co-ordinator
	inter alia: • Finalising the list and division of investors for one to one meetings • Finalising the domestic road show schedule and investor meeting schedules		
8.	Pricing, managing the book and allocation	Kotak, UBS	Kotak
9.	Co-ordination with the Stock Exchanges for book building software and bidding terminals. Post-bidding activities including management of escrow accounts, follow-up with SCSBs, Registrar to the Issue, co-ordination for allocation, demat delivery of Equity Shares, intimation of Allocation and dispatch of the CANs to Applicants etc. The Book Running Lead Manager shall be responsible for ensuring that these agencies fulfill their functions and enable it to discharge this responsibility through suitable agreements with the Company. The post Issue activities will involve essential co-ordination and follow up steps with the Stock Exchanges, which include the finalisation of listing and trading of Equity Shares.	Kotak, UBS	Kotak

SELLING RESTRICTIONS

The distribution of this Preliminary Offer Document or any Issue material and the offering, sale or delivery of the Equity Shares offered in the Issue is restricted by law in certain jurisdictions. Therefore, persons who may come into possession of this Preliminary Offer Document or any offering material are advised to consult with their own legal advisors as to what restrictions may be applicable to them and to observe such restrictions. This Preliminary Offer Document may not be used for the purpose of an offer or invitation in any circumstances in which such offer or invitation is not authorised. No action has been taken or will be taken that would permit a public offering of the Equity Shares to be issued pursuant to the Issue to occur in any jurisdiction, except India, or the possession, circulation or distribution of this Preliminary Offering Document or any other material relating to the Company or the Equity Shares offered in the Issue in any jurisdiction where action for such purpose is required. Accordingly, the Equity Shares may not be offered or sold, directly or indirectly, and neither this Preliminary Offer Document nor any offering materials or advertisements in connection with the Equity Shares may be distributed or published in or from any country or jurisdiction except under circumstances that will result in compliance with any applicable rules and regulations of any such country or jurisdiction.

Australia. The Preliminary Offer Document is not a disclosure document under Chapter 6D of the Corporations Act 2001 (the "**Australian Corporations Act**"), has not been lodged with the Australian Securities & Investments Commission and does not purport to include the information required of a disclosure document under the Australian Corporations Act. (i) The offer of Equity Shares under the Preliminary Offer Document is only made to persons to whom it is lawful to offer the Equity Shares without disclosure to investors under Chapter 6D of the Australian Corporations Act under one or more exemptions set out in Section 708 of the Australian Corporations Act; (ii) the Preliminary Offer Document is made available in Australia to persons as set forth in clause (i) above; and (iii) by accepting this offer, the offeree represents that the offeree is such a person as set forth in clause (ii) above and agrees not to sell or offer for sale within Australia any Equity Share sold to the offeree within 12 months after their transfer to the offeree under the Preliminary Offer Document.

Bahrain. All applications for investment should be received, and any allotments should be made, in each case from outside Bahrain. This Preliminary Offer Document has been prepared for private information purposes of intended investors only who will be high net worth individuals and institutions. The Company has not made and will not make any invitation to the public in the Kingdom of Bahrain and this Preliminary Offer Document will not be issued, passed to, or made available to the public generally. The Bahrain Monetary Agency ("**BMA**") has not reviewed, nor has it approved, this Preliminary Offer Document or the marketing of Equity Shares in the Kingdom of Bahrain. Accordingly, the Equity Shares may not be offered or sold in Bahrain or to residents thereof except as permitted by Bahrain law.

Cayman Islands. No offer or invitation to subscribe for Equity Shares may be made to the public in the Cayman Islands.

European Economic Area (including Liechtenstein, Iceland and Norway). In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a "**Relevant Member State**"), an offer may not made to the public in that Relevant Member State prior to the publication of a prospectus in relation to the Equity Shares which has been approved by the competent authority in that Relevant Member State or, where appropriate, approved in another Relevant Member State and notified to the competent authority in that Relevant Member State, all in accordance with the Prospectus Directive, except that it may, with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the "**Relevant Implementation Date**"), make an offer of Equity Shares to the public in that Relevant Member State at any time:

- to legal entities which are authorised or regulated to operate in the financial markets or, if not so authorised or regulated, whose corporate purpose is solely to invest in securities;

- to any legal entity which has two or more of (i) an average of at least 250 employees during the last financial year, (ii) a total balance sheet of more than €43,000,000 and (iii) an annual net turnover of more than €50,000,000, as shown in its last annual or consolidated accounts;

- to fewer than 100 natural or legal persons (other than qualified investors as defined in the Prospectus Directive) subject to obtaining the prior consent of the Book Running Lead Managers and the Syndicate Member for any such offer; or

- in any other circumstances which do not require the publication of a prospectus pursuant to Article 3(2) of the Prospectus Directive;

provided that no such offer of Equity Shares shall result in a requirement for the publication by the Company, any Book Running Lead Managers or the Syndicate Member of a prospectus pursuant to Article 3 of the Prospectus Directive. For the purposes of this provision, the expression an "offer of Equity Shares to the public" in relation to any of the Equity Shares in any Relevant Member States means the communication in any form and by any means, of sufficient information on the terms of the offer and the Equity Shares to be offered so as to enable an investor to decide to purchase or subscribe for the Equity Shares, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State.

Hong Kong. No Equity Shares have been offered or sold, and no Equity Shares may be offered or sold, in Hong Kong, by means of any document, other than to persons whose ordinary business is to buy or sell shares or debentures, whether as principal or agent; or to "professional investors" as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong and any rules made under that Ordinance; or in other circumstances which do not result in the document being a "prospectus" as defined in the Companies Ordinance (Cap. 32) of Hong Kong or which do not constitute an offer to the public within the meaning of the Companies Ordinance (Cap.32) of Hong Kong. No document, invitation or advertisement relating to the Equity Shares has been issued or may be issued, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted under the securities laws of Hong Kong) other than with respect to the Equity Shares which are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong and any rules made under that Ordinance.

Japan. The offering of the Equity Shares has not been and will not be registered under the Financial Instruments and Exchange Law of Japan, as amended (the "**Financial Instruments and Exchange Law**"). No Equity Shares have been offered or sold, and will not be offered or sold, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan (which term as used herein means any person resident in Japan, including any corporation or other entity organized under the laws of Japan) or to others for reoffering or re-sale, directly or indirectly in Japan or to, or for the benefit of, any resident of Japan except pursuant to an exemption from the registration requirements of the Financial Instruments and Exchange Law and otherwise in compliance with the Financial Instruments and Exchange Law and any other applicable laws, regulations and ministerial ordinances of Japan.

Jordan. This Preliminary Offer Document has not been and will not be filed with the Jordanian Securities Commission. This Preliminary Offer Document has not been and will not be distributed, and offers to sell, and sales of the Equity Shares will not be made to more than 30 Jordanian residents. It may not be used for a public offering in Jordan of the Equity Shares. Offers of the Equity Shares are being made from outside Jordan on a private one-on-one contact basis to pre-identified potential investors in Jordan by persons who are not resident within Jordan and accordingly no registration, local prospectus filing and local agent requirements apply. This Preliminary Offer Document is strictly for private use by its holder and may not be passed on to third parties or otherwise distributed publicly.

***Korea*.** The Equity Shares have not been registered under the Korean Securities and Exchange Law, and the Equity Shares acquired in connection with the distribution contemplated hereby may not be offered or sold, directly or indirectly, in Korea or to or for the account of any resident thereof, except as otherwise permitted by applicable Korean laws and regulations, including, without limitation, the Korean Securities and Exchange Law and the Foreign Exchange Transaction Laws.

New Zealand. This Preliminary Offer Document is not a prospectus. It has not been prepared or registered in accordance with the Securities Act 1978 of New Zealand (the "**New Zealand Securities Act**"). This Preliminary Offer Document is being distributed in New Zealand only to persons whose principal business is the investment of money or who, in the course of and for the purposes of their business, habitually invest money, within the meaning of section 3(2)(a)(ii) of the New Zealand Securities Act ("**Habitual Investors**"). By accepting this Preliminary

Offer Document, each investor represents and warrants that if they receive this Preliminary Offer Document in New Zealand they are a Habitual Investor and you will not disclose this Preliminary Offer Document to any person who is not also a Habitual Investor.

Oman. This Preliminary Offer Document, and the Equity Shares to which it relates, may not be advertised, marketed, distributed or otherwise made available to any person in Oman without the prior consent of the Capital Market Authority ("**CMA**") and then only in accordance with any terms and conditions of such consent. In connection with the offering of Equity Shares, no prospectus has been filed with the CMA. The offering and sale of Equity Shares described in this Preliminary Offer Document will not take place inside Oman. This Preliminary Offer Document is strictly private and confidential, and is being issued to a limited number of sophisticated investors, and may neither be reproduced, used for any other purpose, nor provided to any other person than the intended recipient hereof.

Qatar. The Equity Shares have not been offered, sold or delivered, and will not be offered, sold or delivered at any time, directly or indirectly, in the State of Qatar in a manner that would constitute a public offering. This Preliminary Offer Document has not been reviewed or registered with Qatari Government Authorities, whether under Law No. 25 (2002) concerning investment funds, Central Bank resolution No. 15 (1997), as amended, or any associated regulations. Therefore, this Preliminary Offer Document is strictly private and confidential, and is being issued to a limited number of sophisticated investors, and may not be reproduced or used for any other purposes, nor provided to any person other than recipient thereof.

Saudi Arabia. The offer and sale of the Equity Shares will only take place within the Kingdom of Saudi Arabia in accordance with the capital market law, including the Offer of Securities Regulations issued thereunder. The Equity Shares will be offered to investors in the Kingdom of Saudi Arabia pursuant to an "exempt offer" as defined in the Offer of Securities Regulations. Prior to any offer of Equity Shares in the Kingdom of Saudi Arabia, the Capital Market Authority will be notified of this offering in accordance with the Offer of Securities Regulations. The Equity Shares have not been and will not be approved or disapproved by the Capital Market Authority nor will the Capital Market Authority comment upon the accuracy or adequacy of this Preliminary Offer Document. Furthermore, the Capital Market Authority takes no responsibility for the accuracy or adequacy of the information contained in this Preliminary Offer Document.

Singapore. Each purchaser has acknowledged that this Preliminary Offer Document has not been and will not be registered as a prospectus with the Monetary Authority of Singapore. Accordingly, each purchaser has represented and agreed that it has not offered or sold any Equity Shares or caused the Equity Shares to be made the subject of an invitation for subscription or purchase and will not offer or sell the Equity Shares or cause the Equity Shares to be made the subject of an invitation for subscription or purchase, and has not circulated or distributed, nor will it circulate or distribute, this Preliminary Offer Document and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Equity Shares, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor under Section 274 of the Securities and Futures Act, Chapter 289 of Singapore (the "**SFA**"), (ii) to a relevant person pursuant to Section 275(1) of the SFA, or any person pursuant to Section 275(1A) of the SFA, and in accordance with the conditions, specified in Section 275 of the SFA; or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provisions of the SFA. Where the Equity Shares are subscribed or purchased under Section 275 of the SFA by a relevant person which is:

(a) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or

(b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor,

securities (as defined in Section 239(1) of the SFA) of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the Equity Shares, as the case may be, pursuant to an offer made under Section 275 of the SFA except:

(1) to an institutional investor under Section 274 of the SFA or to a relevant person defined in Section 275(2) of the SFA, or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(i)(B) of the SFA;

(2) where no consideration is or will be given for the transfer;

(3) where the transfer is by operation of law; and/or

(4) as specified in Section 276(7) of the SFA.

Switzerland. This Preliminary Offer Document does not constitute an issue prospectus pursuant to Art. 652a of the Swiss Code of Obligations. The Equity Shares will not be listed on the SWX Swiss Exchange and, therefore, This Preliminary Offer Document does not comply with the disclosure standards of the Listing Rules of the SWX Swiss Exchange. Accordingly, the Equity Shares may not be offered to the public in or from Switzerland, but only to a selected and limited group of investors, which do not subscribe the Equity Shares with a view to distribution to the public. The investors will be individually approached by the Book Running Lead Managers and the Syndicate Member from time to time. This Preliminary Offer Document is personal to each offeree and does not constitute an offer to any other person. This Preliminary Offer Document may only be used by those persons to whom it has been handed out in connection with the offer described herein and may neither directly nor indirectly be distributed or made available to other persons without the express consent of the Company. It may not be used in connection with any other offer and shall in particular not be copied and/or distribute to the public in or from Switzerland.

United Arab Emirates**.** This Preliminary Offer Document is not intended to constitute an offer, sale or delivery of shares or other securities under the laws of the United Arab Emirates (the "**UAE**"). The Equity Shares have not been and will not be registered under Federal Law No. 4 of 2000 Concerning the Emirates Securities and Commodities Authority and the Emirates Security and Commodity Exchange, or with the UAE Central Bank, the Dubai Financial Market, the Abu Dhabi Securities market or with any other UAE exchange. The Issue, the Equity Shares and interests therein do not constitute a public offer of securities in the UAE in accordance with the Commercial Companies Law, Federal Law No. 8 of 1984 (as amended) or otherwise. This Preliminary Offer Document is strictly private and confidential and is being distributed to a limited number of investors and must not be provided to any person other than the original recipient, and may not be reproduced or used for any other purpose. The interests in the Equity Shares may not be offered or sold directly or indirectly to the public in the UAE.

By receiving this Preliminary Offer Document, the person or entity to whom it has been issued understands, acknowledges and agrees that the Equity Shares have not been and will not be offered, sold or publicly promoted or advertised in the Dubai International Financial Centre other than in compliance with laws applicable in the Dubai International Financial Centre, governing the issue, offering or sale of securities. The Dubai Financial Services Authority has not approved this Preliminary Offer Document nor taken steps to verify the information set out in it, and has no responsibility for it.

United Kingdom. Each Book Running Lead Manager and the Syndicate Member:

- has not offered or sold, and prior to the expiry of a period of six months from the issue date of any Equity Shares, will not offer or sell any securities of the Company to persons in the United Kingdom except to "qualified investors" as defined in section 86(7) of the Financial Services and Markets Act 2000 ("**FSMA**") or otherwise in circumstances which have not resulted in an offer to the public in the United Kingdom;

- has complied and will comply with all applicable provisions of FSMA with respect to anything done by it in relation to the Equity Shares in, from or otherwise involving the United Kingdom; and

- in the United Kingdom, will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) to persons that are qualified investors within the meaning of Article 2(1)(e) of the Prospectus Directive who (i) have professional experience in matters relating to investments falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the "**Order**"); and/or (ii) are high net worth entities falling within Article 49(2)(a) to (d) of the Order; and (iii) other persons to whom it may otherwise lawfully be communicated (all such persons together being referred to as "**relevant persons**"). The Preliminary Offering Document and its contents are confidential and should not be distributed, published or reproduced (in whole or in part) or disclosed by recipients to any other persons in the United Kingdom. Any person in the United Kingdom that is not a relevant person should not act or rely on these documents or any of their contents.

United States of America. The Equity Shares have not been and will not be registered under the U.S. Securities Act, and may not be offered or sold within the United States except in certain transactions exempt from the registration requirements of the U.S. Securities Act. Terms used in this paragraph have the meanings given to them by Regulation S. The Equity Shares are being offered and sold (a) in the United States only to persons reasonably believed to be "qualified institutional buyers" (as defined in Rule 144A under the U.S. Securities Act) pursuant to Section 4(2) under the U.S. Securities Act; and (b) outside of the United States in offshore transactions in reliance on Regulation S under the U.S. Securities Act. Each purchaser of the Equity Shares offered by the Preliminary Offer Document will be deemed to have made the representations, agreements and acknowledgements as described under "***Transfer Restrictions***".

TRANSFER RESTRICTIONS

The Equity Shares being Allotted pursuant to the Issue shall not be sold for a period of one year from the date of Allotment, except on the Stock Exchanges.

U.S. Offer Transfer Restrictions

Each purchaser of the Equity Shares in the United States will be required to make representations substantially as follows:

- It (A) is a U.S. QIB and (B) is aware that the sale of the Equity Shares to it is being made in reliance on exemptions under the U.S. Securities Act.
- It is acquiring the Equity Shares for its own account or for the account of one or more eligible U.S. investors (i.e., U.S. QIBs), each of which is acquiring beneficial interests in the Equity Shares for its own account.
- It understands that the Equity Shares have not been and will not be registered under the U.S Securities Act and may not be offered, sold, pledged or otherwise transferred except in an offshore transaction in accordance with Rule 903 or Rule 904 of Regulation S and on a recognised stock exchange, as applicable.
- It acknowledges that the Company, the Book Running Lead Managers, the Syndicate Member and their affiliates, and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements and agrees that, if any of such acknowledgements, representations or agreements deemed to have been made by virtue of its purchase of the Equity Shares are no longer accurate, it will promptly notify the Company, the Book Running Lead Managers and the Syndicate Member.

Global Offer Transfer Restrictions

Each purchaser of the Equity Shares outside the United States pursuant to Regulation S, will be deemed to have represented and agreed as follows:

- It is authorised to consummate the purchase of the Equity Shares in compliance with all applicable laws and regulations.
- It acknowledges (or if it is a broker-dealer acting on behalf of a customer, its customer has confirmed to it that such customer acknowledges) that such Equity Shares have not been and will not be registered under the U.S. Securities Act.
- It certifies that either (A) it is, or at the time the Equity Shares are purchased will be, the beneficial owner of the Equity Shares and is located outside the United States (within the meaning of Regulation S) or (B) it is a broker-dealer acting on behalf of its customer and its customer has confirmed to it that (i) such customer is, or at the time the Equity Shares are purchased will be, the beneficial owner of the Equity Shares, and (ii) such customer is located outside the United States (within the meaning of Regulation S).
- It agrees that it will not offer, sell, pledge or otherwise transfer such Equity Shares except in an offshore transaction complying with Rule 903 or Rule 904 of Regulation S or pursuant to any other available exemption from registration under the U.S. Securities Act and in accordance with all applicable securities laws of the states of the United States and any other jurisdiction, including India.
- It acknowledges that the Company, the Book Running Lead Managers, the Syndicate Member and their affiliates, and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements and agrees that, if any of such acknowledgements, representations or agreements deemed to have been made by virtue of its purchase of the Equity Shares are no longer accurate, it will promptly notify us.

- Any resale or other transfer or attempted resale or other transfer, made other than in compliance with the above-stated restrictions will not be recognised by the Company.

THE SECURITIES MARKET OF INDIA

The information in this section has been extracted from publicly available documents from various sources, including officially prepared materials from SEBI, the BSE and the NSE, and has not been prepared or independently verified by the Company, the Book Running Lead Managers, the Syndicate Member or any of their respective affiliates or advisors.

India has a long history of organised securities trading. In 1875, the first stock exchange was established in Mumbai.

Indian Stock Exchanges

Indian stock exchanges are regulated primarily by SEBI, as well as by the Government acting through the Ministry of Finance, Stock Exchange Division, under the SCRA and the SCRR. Various rules, bye-laws and regulations of the respective stock exchanges regulate the recognition of stock exchanges, the qualifications for membership thereof and the manner in which contracts are entered into, settled and enforced between members.

The SEBI Act empowers SEBI to regulate the Indian securities markets, including stock exchanges and other intermediaries, promote and monitor self-regulatory organisations and prohibit fraudulent and unfair trade practices. Regulations concerning minimum disclosure requirements by public companies, investor protection, insider trading, substantial acquisitions of shares and takeovers of companies, buybacks of securities, employee stock option schemes, stockbrokers, merchant bankers, underwriters, mutual funds, foreign institutional investors, credit rating agencies and other capital market participants have been notified by the relevant regulatory authorities.

Most of the stock exchanges have their own governing board for self regulation. The BSE and the NSE together hold a dominant position among the stock exchanges in terms of the number of listed companies, market capitalisation and trading activity.

Listing of Securities

The listing of securities on a recognised Indian stock exchange is regulated by applicable Indian laws including the Companies Act, the SCRA, the SCRR, the SEBI Act and various guidelines and regulations issued by SEBI and the equity listing agreements of the respective stock exchanges. The governing body of each recognised stock exchange is empowered to suspend or withdraw admission to dealings in a listed security for breach of or non compliance with any conditions under such equity listing agreement or for any other reason, subject to the issuer receiving prior written notice of the intent of the exchange and upon granting of a hearing in the matter. SEBI also has the power to amend such equity listing agreements and the bye-laws of the stock exchanges in India, to overrule a stock exchange's governing body and withdraw recognition of a recognised stock exchange.

SEBI has notified the Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (the "**Delisting Regulations**") in relation to the voluntary and compulsory delisting of equity shares from the stock exchanges. In addition, certain amendments to the SCRR have also been notified in relation to delisting.

Pursuant to an amendment of the SCRR in June 2010, all listed companies (except public sector undertakings) are required to maintain a minimum public shareholding of 25% and have been given a period of three years to comply with such requirement.

Pursuant to a notification dated January 30, 2012 and a circular dated February 1, 2012, SEBI has introduced two new mechanisms for listed Indian companies and their controlling shareholders to meet minimum public shareholding requirements, i.e., (i) the institutional placement programme; and (ii) an offer for sale (secondary offering) by the promoters and promoter group through the relevant stock exchange.

Index-Based Market-Wide Circuit Breaker System

In order to restrict abnormal price volatility in any particular stock, SEBI has instructed stock exchanges to apply daily circuit breakers which do not allow transactions beyond a certain level of price volatility. The index-based market-wide circuit breaker system (equity and equity derivatives) applies at three stages of the index movement, at

10%, 15% and 20%. These circuit breakers, when triggered, bring about a co-ordinated trading halt in all equity and equity derivative markets nationwide. The market-wide circuit breakers are triggered by movement of either the SENSEX of the BSE or the S&P CNX NIFTY of the NSE, whichever is breached earlier.

In addition to the market-wide index-based circuit breakers, there are currently in place individual scrip-wise price bands of 20% movements either up or down. However, no price bands are applicable on scrips on which derivative products are available or scrips included in indices on which derivative products are available.

The stock exchanges in India can also exercise the power to suspend trading during periods of market volatility. Margin requirements are imposed by stock exchanges that are required to be paid by the stockbrokers.

BSE

Established in 1875, the BSE is the oldest stock exchange in India. In 1956, it became the first stock exchange in India to obtain permanent recognition from the Government under the SCRA. It has evolved over the years into its present status as one of the premier stock exchange of India.

As of January 31, 2012, the BSE had 1,386 members, comprising 209 individual members, 1,150 Indian companies and 27 FIIs. Only a member of the BSE has the right to trade in the stocks listed on the BSE. As of January 31, 2012 there were 5,115 listed companies trading on the BSE (excluding permitted companies). The estimated market capitalisation of stocks trading on the BSE was ₹ 60,593.47 billion as on January 31, 2012. In January 2012, the average daily equity turnover on the BSE was ₹ 23.90 billion. As of January 31, 2012, the BSE had 15,781 trader work stations spread over 260 cities.

NSE

The NSE was established by financial institutions and banks to provide nationwide on-line satellite-linked screen-based trading facilities with electronic clearing and settlement for securities including government securities, debentures, public sector bonds and units. It has evolved over the years into its present status as one of the premier stock exchange of India. The NSE was recognised as a stock exchange in April 1993 and commenced operations in the wholesale debt market segment in June 1994.

The average daily turnover for January 2012 was ₹ 107.67 billion. The NSE launched the NSE 50 index, now known as S&P CNX NIFTY, on April 22, 1996 and the Mid-cap Index on January 1, 1996. As of January 31, 2012 the NSE had 1,641 companies listed and market capitalisation of approximately ₹ 59,370.39 billion. The NSE has a wide network in major metropolitan cities and has a screen based trading and a central monitoring system.

Internet-based Securities Trading and Services

Internet trading takes place through order routing systems, which route client orders to exchange trading systems for execution. Stockbrokers interested in providing this service are required to apply for permission to the relevant stock exchange and also have to comply with certain minimum conditions stipulated under applicable law. The NSE became the first exchange to grant approval to its members for providing internet-based trading services. Internet trading is possible on both the "equities" as well as the "derivatives" segments of the NSE.

Trading Hours

Trading on both the BSE and the NSE occurs from Monday through Friday, from 9.15 a.m. to 3.30 p.m. IST (excluding the 15 minutes pre-open session from 9.00 a.m. to 9.15 a.m.). The BSE and the NSE are closed on public holidays. The recognised stock exchanges have been permitted to set their own trading hours (in cash and derivatives segments) subject to the condition that (i) the trading hours are between 9 a.m. and 5 p.m.; and (ii) the stock exchange has in place risk management system and infrastructure commensurate to the trading hours.

Trading Procedure

In order to facilitate smooth transactions, the BSE replaced its open outcry system with BSE On-line Trading (BOLT) facility in 1995. This totally automated screen based trading in securities was put into practice nation-wide. This has enhanced transparency in dealings and has assisted considerably in smoothening settlement cycles and improving efficiency in back-office work. NSE also provides on-line trading facilities through a fully automated screen based trading system called 'National Exchange for Automated Trading' (NEAT).

Takeover Regulations

Disclosure and mandatory bid obligations for listed Indian companies under Indian law are governed by the specific regulations in relation to substantial acquisition of shares and takeover being the Takeover Regulations. Since the Company is an Indian listed company, the provisions of the Takeover Regulations apply to the Company.

Insider Trading Regulations

The Insider Trading Regulations have been notified by SEBI to prohibit and penalise insider trading in India. An insider is, among other things, prohibited from dealing in the securities of a listed company when in possession of unpublished price sensitive information. The Insider Trading Regulations also provide disclosure obligations for shareholders holding more than a pre-defined percentage, and directors and officers, with respect to their shareholding in the company, and the changes therein. The definition of "insider" includes any person who has received or has had access to unpublished price sensitive information of the company.

Depositories

The Depositories Act provides a legal framework for the establishment of depositories to record ownership details and effect transfers in book-entry form. Further, SEBI framed the Securities and Exchange Board of India (Depositories and Participant) Regulations, 1996, as amended, which among other things provide regulations in relation to the formation and registration of such depositories, the registration of participants as well as the rights and obligations of the depositories, participants, companies and beneficial owners. The depository system has significantly improved the operation of the Indian securities markets.

DESCRIPTION OF THE EQUITY SHARES

The following is a summary of some of the provisions contained in, and is qualified in its entirety by, the Company's Memorandum and Articles of Association, the Companies Act, the SCRA and other related Indian regulations. Prospective investors are urged to read the Company's Memorandum and Articles of Association carefully, and consult with their advisers, as to the Company's Memorandum and Articles of Association and applicable Indian law, and not this summary, govern the rights of the holders of the Equity Shares.

Authorised Capital

The authorised share capital of the Company is ₹ 1,000.00 million divided into 100 million Equity Shares of ₹ 10 each.

Articles of Association

The Company is governed by its Articles of Association.

Dividends

Under the Companies Act, an Indian company pays dividend upon a recommendation by its board of directors and subject to approval by a majority of the members, who have the right to decrease but not to increase the amount of the dividend recommended by the board of directors. Subject to certain conditions specified under Section 205 of the Companies Act, no dividend can be declared or paid by a company for any financial year except out of the profits of the company for that year, calculated in accordance with the provisions of the Companies Act or out of the profits of the company for any previous financial year(s) arrived at as laid down by the Companies Act and remaining undistributed, or out of both.

However, the board of directors is not obligated to recommend a dividend. The decision of the Board of Directors and shareholders of the Company may depend on a number of factors, including but not limited to, the Company's profits, capital requirements and overall financial condition.

No unpaid or unclaimed dividend shall be forfeited unless the claim thereto becomes barred by law. The Company shall comply with the provisions of Section 205A read with Section 205C of the Companies Act and the Articles of the Company in respect of unpaid or unclaimed dividend. In addition, as permitted by the Articles, the Board may from time to time pay to the members of the Company such interim dividends as in their judgment the position of the Company justifies.

Subject to applicable provisions of the FEMA, all dividends and other distributions declared and payable on the Equity Shares may be paid by the Company to the holder thereof in Indian Rupees and may be converted into foreign currency and freely transferred out of India without the necessity of obtaining any governmental or regulatory authorisation or approval in the India or any political subdivision or taxing authority thereof.

The Equity Shares issued pursuant to the Issue shall rank *pari passu* with the existing Equity Shares of the Company in all respects including entitlements to any dividends that may be declared by the Company.

Capitalisation of Profits and Issue of Bonus Shares

The Company may, upon recommendation of the Directors at a general meeting, capitalise any amounts or other assets standing to the credit of the Company's reserves or reserve funds or the profit and loss account, or otherwise available for distribution and not required for the payment of the fixed dividends on any preference shares of the Company and available for dividend towards paying the amounts unpaid on any Equity Shares held by the member(s) of the Company or in payment in full of unissued Equity Shares, debentures or other securities of the Company, to be allotted and distributed and credited as fully paid among such members or partly in one way and partly in the other. The share premium account or the capital redemption reserve fund of the Company can only be applied towards payment for unissued Equity Shares to be issued to members of the Company as fully paid bonus shares. Any issue of bonus shares by a listed company will be subject to the applicable SEBI regulations.

Alteration of Share Capital

The Company's issued share capital may be increased by, *inter alia*, creation of new shares or upon the conversion of convertible debentures issued. The issue of any convertible debentures or the taking of any convertible loans, other than from the Government and institutions specified by the Government, requires the approval of a special resolution of the shareholders.

Subject to provisions of the Companies Act, the Company may also from time to time by special resolution reduce its share capital and convert all or any of its fully paid paid-up Equity Shares into stock and re-convert that stock into fully paid-up Equity Shares and cancel the Equity Shares which have not been or agreed to be taken up by any person.

The Articles further provide that the Company may in a general meeting, from time to time consolidate or sub-divide its share capital and the resolution may determine that as between the holders of the shares resulting from such sub-division, one or more such shares shall have some preference or special advantage as regards dividend capital or otherwise as compared with the others.

Pre-emptive Rights

When it is proposed to increase the subscribed capital of the Company by the issue of new Equity Shares, such Equity Shares shall be offered first to the existing shareholders in proportion to the to the capital paid up on those shares at that date by a notice, specifying the number of Equity Shares and limiting a time not less than 30 days from the date of the offer which shall be deemed to include the right exercisable by the person concerned to renounce the Equity Shares offered to him in favour of any other person. If the offer is not accepted it is deemed to have been declined. The Board is authorised to distribute any new Equity Shares not purchased by the existing shareholders in the manner that it deems most beneficial to the Company.

Further, new Equity Shares may be offered to any person whether or not those persons include existing shareholders, either if a special resolution to that effect is passed by the shareholders of the Company in a general meeting, or where a simple majority of shareholders present and voting have passed the resolution and the permission of the Government has been obtained.

Preference Shares

The Company may issue preference shares which are liable to be redeemed subject to provisions of Section 80 of the Companies Act.

General Meetings of Shareholders

The Company must hold its annual general meeting within six months after the expiry of each financial year, provided that not more than 15 months shall elapse between the date of the previous annual general meeting and the next, unless extended by the Registrar of Companies at the request of the company for any special reason for a period not exceeding three months.

Written notices convening a meeting setting out the date, place and agenda of the meeting must be given to members at least 21 days prior to the date of the proposed meeting. A general meeting may be called after giving shorter notice if consent is received from all shareholders entitled to vote at an annual general meeting, or from shareholders holding not less than 95% of the paid-up capital of the company, at any other meeting. Further, the shareholders of a company can participate in the general meeting through video conference facility, in the event such facility is provided by the company.

A listed company intending to pass a resolution relating to matters such as, but not limited to, amendment in the objects clause of the memorandum of association, the issuing of shares with differential voting or dividend rights, a variation of the rights attached to a class of shares or debentures or other securities, buy-back of shares under the Section 77A(1) of the Companies Act, giving loans or extending guarantee or providing security in excess of the limits prescribed under Section 372A(1) of the Companies Act, is required to obtain the resolution passed by means of a postal ballot instead of transacting such business in the company's general meeting. A notice to all the shareholders is required to be sent along with a draft resolution explaining the reasons therefore and requesting them to send their assent or dissent in writing on a postal ballot within a period of 30 days from the date of posting the letter. Such postal ballot includes procedure for voting by electronic mode.

Voting Rights

Every member present in person and entitled to vote shall have one vote on a show of hand or on a poll. The voting rights shall be as specified in Section 87 of the Companies Act, subject to any rights or restrictions for the time being attached to any class or classes of shares.

A shareholder may exercise his voting rights by proxy to be given in the form required by the Articles. The instrument appointing a proxy is required to be deposited at the registered office of the Company at least 48 hours before the time of the meeting. A vote given in accordance with the terms of an instrument appointing a proxy shall be valid notwithstanding the prior death or insanity of the principal, or revocation of the instrument, or transfer of the share in respect of which the vote is given, provided no intimation in writing of the death, insanity, revocation or transfer of the share shall have been received by the Company at the office before the vote is given. Further no member shall be entitled to exercise any voting right personally or by proxy at any meeting of the Company in respect of any shares registered in his name on which any calls or other sums presently payable by him have not been paid in regard to which the Company has exercised any right of lien.

Register of Members

The Company is required to maintain a register of members wherein the particulars of the members of the Company are entered. For the purpose of determining the shareholders the register may be closed for such period not exceeding 45 days in any one year or 30 days at any one time at such times, as the board of directors may deem expedient

Annual Report and Financial Results

The annual report must be laid before the annual general meeting of the shareholders of a company. This includes financial information about the company such as the audited financial statements as of the date of closing of the financial year, directors' report, management's discussion and analysis and a corporate governance section, and is sent to the shareholders of the company.

Transfer of shares

Shares held through depositories are transferred in the form of book entries or in electronic form in accordance with the regulations laid down by SEBI, which provide the regime for the functioning of the depositories and the participants and set out the manner in which the records are to be kept and maintained and the safeguards to be followed. Transfers of beneficial ownership of shares held through a depository are exempt from stamp duty. The Company has entered into an agreement for such depository services with NSDL and CDSL.

Under the Equity Listing Agreements, in respect of transfer of Equity Shares, in the event the Company does not effect transfer of Equity Shares within one month or where the Company fails to communicate to the transferee any valid objection to the transfer within the stipulated time period of one month, it is required to compensate the aggrieved party for the opportunity loss caused during the period of the delay. The Equity Shares of the Company are freely transferable. Further, in terms of the Articles, any person, being a nominee, who becomes entitled to shares by reason of death of a member shall be entitled to the same dividend and other advantages to which he would be entitled if were the registered holder, except that he shall not before being registered as holder of such shares, be entitled in respect of them to exercise any right conferred by membership in relation to the meetings of the Company.

Liquidation Rights

Subject to the provisions of the Companies Act, in the event of a company's winding-up, the holders of such shares are entitled to be repaid the amounts of capital paid-up or credited as paid-up on such shares or, in case of a shortfall, proportionately. All surplus assets after payments due to employees, statutory creditors, secured and unsecured creditors and preference shareholders belong to the holders of the equity shares in proportion to the amount paid-up or credited as paid-up on such shares respectively at the commencement of the winding-up.

Under the Articles of the Company, the liquidator on any winding-up (whether voluntary under supervision or compulsory) may, with the sanction of a special resolution, but subject to the rights attached to any preference share capital, divide among the contributors in specie any part of the assets of the Company and may with the like sanction, vest any part of the assets of the Company in trustees upon such trusts for the benefit of the contributories as the liquidator shall think fit.

TAXATION

I. Statement of possible tax benefits available to the Company and its shareholders under the applicable laws in India

To,
The Board of Directors
Godrej Properties Limited
Mumbai.

Dear Sirs,

<u>Statement of Possible Tax Benefits Available to the Company and its shareholders</u>

We enclose herewith the statement providing the possible tax benefits available to the Company and to the institutional shareholders of the Company under the Income tax Act, 1961 (incorporating the amendments introduced by the Finance Act, 2011), the Wealth Tax Act, 1957, presently in force in India. Several of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant provisions of the statute. Hence, the ability of the Company or its shareholders to derive the tax benefits is dependent upon fulfilling such conditions, which based on the business imperatives the Company faces in the future, the Company may or may not choose to fulfill.

The benefits discussed in the enclosed statement are neither exhaustive nor 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. In view of the individual nature of the tax consequences and the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the issue and we shall in no way be liable or responsible to any shareholder or subscriber for placing reliance upon the contents of this statement. While all reasonable care has been taken in the preparation of this statement, we accept no responsibility for any errors or omissions therein or for any loss sustained by any person who relies on it.

We do not express any opinion or provide any assurance as to whether:
(i) Company or its shareholders will continue to obtain these benefits in future; or
(ii) The conditions prescribed for availing the benefits has been / would be met with; or.
(iii) That the revenue authorities / appellate authorities / courts will concur with the views expressed in the enclosed statement.

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

This statement is intended solely for information and for inclusion in the offer document in connection with the proposed issue of equity shares of the company in accordance with SEBI Regulations and is not to be circulated or referred to for any other purpose without our prior written consent.

For and on behalf of
Kalyaniwalla & Mistry
Chartered Accountants
Firm Registration No.104607W

Ermin K. Irani
Partner
Membership No. 35646
Place: Mumbai
Dated: March 1, 2012

STATEMENT OF TAX BENEFITS

I. SPECIAL TAX BENEFITS

A. SPECIAL TAX BENEFITS AVAILABLE TO THE COMPANY

There are no special tax benefits available to the Company.

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

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

II. GENERAL TAX BENEFITS

The Income Tax Act, 1961 (provisions of Finance Act, 2011), Wealth Tax Act, 1957, presently in force in India, make available the following general tax benefits to companies and to their shareholders. Several of these benefits are dependant on the companies or their shareholders fulfilling the conditions prescribed under the relevant provisions of the statute.

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

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

(a) Dividends Exempt Under section 10 (34)/10(35)

Under section 10(34) of the Act, the Company will be eligible for exemption of income by way of dividend (interim or final) on shares held in a domestic Company referred to in section 115-O of the Act or from units of mutual funds specified under section 10(23D) of the Act, income received in respect of units from the Administrator of the specified undertaking and income received in respect of units from the specified company in accordance with and subject to the provisions of section 10(35) of the Act.

However, in view of the provisions of Section 14A of Act, no deduction is allowed in respect of any expenditure incurred in relation to earning such dividend income. The quantum of such expenditure liable for disallowance is to be computed in accordance with the provisions contained therein.

Also, Section 94(7) of the Act provides that losses arising from the sale/transfer of shares or units purchased within a period of three months prior to the record date and sold/transferred within three months or nine months respectively after such date, will be disallowed to the extent dividend income on such shares or units is claimed as tax exempt.

(b) Computation of Capital Gains

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

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

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

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

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

As per section 74, short term capital loss suffered during the year is allowed to be set-off against short-term as well as long term capital gain of the said year. Balance loss, if any, could be carried forward for eight years for claiming set-off against subsequent years' short-term as well as long-term capital gains. Long term capital loss suffered during the year is allowed to be set-off against long term capital gains. Balance loss, if any, could be carried forward for eight years for claiming set-off against subsequent years' Long term capital gains.

(c) Exemption of capital gain from income tax

(i) Under section 10(38) of the Act, any long term capital gains arising out of sale of equity shares or units of an equity oriented fund on or after 1st October, 2004, will be exempt from tax provided that the transaction of sale of such shares or units is chargeable to STT. However, such income shall be taken into account in computing the book profits under section 115JB of the Act.

(ii) According to the provisions of section 54EC of the Act and subject to the conditions specified therein, long term capital gains not exempt under section 10(38) shall not be chargeable to tax to the extent such capital gains are invested in certain notified bonds within six month from the date of transfer. If only part of the capital gain is so reinvested, the exemption shall be allowed proportionately. However, if the said bonds are transferred or converted into money within a period of three years from the date of their acquisition, the amount of capital gains exempted earlier would become chargeable to tax as long term capital gains in the year in which the bonds are transferred or converted into money. Investment in such notified bonds (made on or after 1st April 2007) is now restricted to and cannot exceed Rupees Fifty Lakhs.

(d) Deductibility of dividend received from subsidiary company while computing Dividend Distribution Tax liability of the Ultimate Holding Company

Every domestic company is liable to pay Dividend Distribution Tax (DDT) on the amount of dividend distributed by it whether interim or final, @15% (plus applicable surcharge and education cess). However, while computing the DDT liability of a domestic company which is the ultimate holding company, amount of the dividend so paid or distributed, shall be reduced by the dividend received from its subsidiary company where the subsidiary company has paid DDT on such dividend. Thus, the ultimate holding company is eligible to take credit for the dividend distributed by its subsidiary company while computing the amount of DDT payable by itself on the dividend distributed. For the purposes of this provision a company is considered to be a subsidiary of another company if such other company holds more than half in nominal value of the equity share capital of the Company.

(e) Computation of business income:

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

(i) Under Section 35(1)(i) and Section 35(1)(iv) of the Act, in respect of any revenue or capital expenditure incurred, other than expenditure on the acquisition of any land, on scientific research related to the business of the Company.

(ii) Under Section 35(1)(ii) of the Act, any sum paid to a research association which has as its object, the undertaking of scientific research or to a university, college or other institution to be used for scientific research is eligible for weighted deduction to the extent of one and three fourth times (175%) of the sum so paid. This weighted deduction is available to amounts paid to approved research association, university, college or institution.

(iii) Under Section 35(1)(iia) of the Act any sum paid to a company registered in India which has as its main object the conduct of scientific research and development and is approved by the prescribed authority and fulfils such conditions as may be prescribed shall be liable to deduction at one and one fourth times (125%) of the amount so paid.

(iv) Under section 35(1)(iii) any sum paid to a research association, university, college or other institution to be used for research in social science or statistical research is eligible for deduction to the extent of one and one fourth times (125%) of the sum so paid. This weighted deduction is available to amounts paid to approved research association, university, college or institution.

(v) Similarly, payments to a National Laboratory, university or Indian Institute of Technology in respect of approved programmes of scientific research are also eligible for weighted deduction of 200% under section 35(2AA).

(vi) Under Section 35(2AB) a weighted deduction of 200% in respect of expenditure incurred on scientific research (excluding cost of land or building) in an approved in-house research and development facility is allowable to Companies engaged in the business of bio-technology or in the business of manufacturing articles or things, not being items mentioned in the Eleventh Schedule.

(vii) Under Section 35AD (ac) of the Act an assessee shall be allowed a deduction in respect of the whole of the purposes of any specified business which is in the nature of developing and building a housing project under a scheme for slum redevelopment or rehabilitation framed by Central Government and notified by the CBDT, in accordance with the guidelines prescribed in this regard.

(viii) Under Section 35AD (ad) of the Act an assessee shall be allowed a deduction in respect of the whole of the purposes of any specified business which is in the nature of developing and building a housing project under a scheme for affordable housing framed by Central Government and notified by the CBDT, in accordance with the guidelines prescribed in this regard.

(ix) Subject to certain conditions, Section 35D of the Act provides for deduction of specified preliminary expenditure incurred before the commencement of the business or after the commencement of business in connection with the extension of the undertaking or in connection with the setting up a new unit. The deduction allowable is equal to one-fifth of such expenditure incurred for each of the five successive previous years beginning with the previous year in which the business commences.

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

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

(xii) Under Section 80-IAB of the I.T. Act, 100 percent of profits is deductible for 10 years commencing from the initial assessment year in case of a Developer (as defined under the Special Economic Act, 2005), including any undertaking or an enterprise, which is into the business of developing Special Economic Zone notified on or after April 1, 2005 under the Special Economic Act, 2005.

(xiii) Under section 24(a) of the I.T. 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).

(xiv) Under section 80IA of the I.T. 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 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, 2011 in case of an industrial park and March 31, 2006 for special economic zones.

(xv) The corporate tax rate presently is 30% (plus surcharge of 5%, education cess of 2% and secondary and higher education cess of 1%).

COMPUTATION OF TAX ON BOOK PROFITS:

As provided under section 115JB of the Act, the company is liable to pay income tax at the rate of 18.50% (plus applicable surcharge of 5%, education cess of 2%and secondary and higher education cess of 1%) on the Book Profit as computed in accordance with the provisions of section 115JB of the Act, if the total tax payable as computed under the normal provisions of the Act is less than 18.50% of the Book Profit as computed under the said section.

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

TAX REBATES (TAX CREDITS):

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

B. BENEFITS AVAILABLE TO FOREIGN INSTITUTIONAL INVESTORS (‘FIIs’):

(a) Dividends exempt under section 10 (34)

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

However, in view of the provisions of Section 14A of Act, no deduction is allowed in respect of any expenditure incurred in relation to earning such dividend income. The quantum of such expenditure liable for disallowance is to be computed in accordance with the provisions contained therein.

Also, Section 94(7) of the Act provides that losses arising from the sale/transfer of shares or units purchased within a period of three months prior to the record date and sold/transferred within three months or nine months respectively after such date, will be disallowed to the extent dividend income on such shares or units is claimed as tax exempt.

(b) Taxability of capital gains

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

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

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

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

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

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

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

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

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

C. BENEFITS AVAILABLE TO MUTUAL FUNDS

As per the provisions of section 10(23D) of the Act, any income of Mutual Funds registered under the Securities and Exchange Board of India Act, 1992 or regulations made there under, Mutual Funds set up by public sector banks or public financial institutions or authorized by the Reserve Bank of India, would be exempt from income tax subject to the conditions as the Central Government may notify. However, the mutual funds shall be liable to pay tax on distributed income to unit holders under section 115R of the Act.

D. BENEFITS AVAILABLE TO VENTURE CAPITAL COMPANIES/ FUNDS

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

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

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

Notes:

1. All the above benefits are as per the current tax law and will be available only to the sole/first named holder in case the shares are held by the joint holders.

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

3. In view of the individual nature of tax consequences, each investor is advised to consult his/her own tax advisor with respect to specific tax consequences of his/her participation in the scheme.

II. Certain U.S. Federal Income Tax Considerations

To ensure compliance with United States Treasury Department Circular 230, investors are hereby notified that: (i) any discussion of United States federal tax issues in this document is not intended or written by us to be relied upon, and cannot be relied upon by investors, for the purpose of avoiding penalties that may be imposed on investors under the United States Internal Revenue Code of 1986, as amended (the "Code"); (ii) such discussion is written in connection with the promotion or marketing of the transactions or matters addressed herein by the Company and dealers, managers and underwriters; and (iii) investors should seek advice based on their particular circumstances from their own independent tax advisors. Counsel does not intend to be, and is not, engaged in the promotion or marketing of the transactions or matters described in this Supplement and no inference to the contrary shall be implied by reason of the disclosures set forth in this section.

The following is a discussion of certain material U.S. federal income tax consequences of purchasing, owning and disposing of Equity Shares. This summary does not describe U.S. federal estate and gift tax consideration or any state and local tax considerations within the United States, nor any foreign tax considerations, and does not purport to be a comprehensive description of all of the U.S. tax considerations that may be relevant to a particular person's decision to acquire Equity Shares.

YOU SHOULD CONSULT YOUR OWN TAX ADVISORS CONCERNING THE U.S. FEDERAL, STATE, LOCAL AND FOREIGN TAX CONSEQUENCES OF PURCHASING, OWNING AND DISPOSING OF EQUITY SHARES IN YOUR PARTICULAR SITUATION.

The discussion applies to you only if you acquire the Equity Shares in this Issue and you hold the Equity Shares as capital assets for tax purposes (generally, for investment). This section does not apply to you if you are a member of a special class of holders subject to special tax rules, including:

- a broker

- a dealer in securities or foreign currencies;
- a trader in securities that elects to use a mark-to-market method of accounting for your securities holdings;
- a bank or other financial institution;
- a tax-exempt organization;
- an insurance company;
- a regulated investment company;
- an investor who is a U.S. expatriate;
- a mutual fund;
- an individual retirement or other tax-deferred account;
- a holder liable for alternative minimum tax;
- a holder that actually or constructively owns 10% or more, by voting power, of the Company's voting stock;
- a partnership or other pass-through entity for U.S. federal income tax purposes;
- a holder that holds Equity Shares as part of a straddle, hedging, constructive sale, conversion or other integrated transaction for U.S. federal income tax purposes; or
- a U.S. holder whose functional currency is not the U.S. Dollar.

This section is based on the Code, existing and proposed income tax regulations issued under the Code, legislative history, and judicial and administrative interpretations thereof, all as of the date hereof. All of the foregoing are subject to change at any time, and any change could be retroactive and could affect the accuracy of this discussion. In addition, the application and interpretation of certain aspects of the passive foreign investment company rules, referred to below, require the issuance of regulations which in many instances have not been promulgated and which may have retroactive effect. There can be no assurance that any of these regulations will be enacted or promulgated, and if so, the form they will take or the effect that they may have on this discussion. This discussion is not binding on the U.S. Internal Revenue Service ("**IRS**") or the courts. No ruling has been or will be sought from the IRS with respect to the positions and issues discussed herein, and there can be no assurance that the IRS will not take a different position concerning the U.S. federal income tax consequences of an investment in the Equity Shares or that any such position would not be sustained.

You are a "U.S. holder" if you are a beneficial owner of Equity Shares and you are:

- a citizen or resident of the United States;
- a U.S. domestic corporation, or other entity treated as a domestic corporation for U.S. federal income tax purposes;
- an estate whose income is subject to U.S. federal income tax regardless of its source; or
- a trust if (1) a U.S. court can exercise primary supervision over the trust's administration and one or more U.S. persons are authorised to control all substantial decisions of the trust or (2) has a valid election in effect under applicable U.S. Treasury regulations to be treated as a U.S. person.

In addition, this discussion is limited to U.S. holders who are not resident in India for purposes of the Income Tax Treaty between the United States and India.

If a partnership (including for this purpose any entity treated as a partnership for U.S. federal income tax purposes) is a beneficial owner of the Equity Shares, the U.S. tax treatment of a partner in the partnership generally will depend on the status of the partner and the activities of the partnership. A holder of the Equity Shares that is a partnership and partners in such a partnership should consult their own tax advisors concerning the U.S. federal income tax consequences of purchasing, owning and disposing of Equity Shares.

A "non-U.S. holder" is a beneficial owner of Equity Shares that is not a U.S. holder for U.S. federal income tax purposes.

The Company believes that it will not be a passive foreign investment company, or PFIC, for U.S. federal income tax purposes for the current taxable year. However, no assurance can be given that the Company will not be considered a PFIC in the current or future years. The determination whether or not the Company is a PFIC is a factual determination that is made annually based on the types of income it earns and the value of its assets. If the Company was currently or were to become a PFIC, U.S. holders of Equity Shares would be subject to special rules and a variety of potentially adverse tax consequences under the Code.

Taxation of Dividends

U.S. Holders. Subject to the passive foreign investment company rules below, if you are a U.S. holder you must include in your gross income the gross amount of any distributions of cash or property (other than certain pro rata distributions of Equity Shares) with respect to Equity Shares, to the extent the distribution is paid by the Company out of its current or accumulated earnings and profits, as determined for U.S. federal income tax purposes. A U.S. holder will include the dividend income at the time of actual or constructive receipt. Distributions in excess of current and accumulated earnings and profits, as determined for U.S. federal income tax purposes, will be treated as a non-taxable return of capital to the extent of your basis in the Equity Shares and thereafter as capital gain. Notwithstanding the foregoing, the Company does not intend to maintain calculations of its earnings and profits as determined for U.S. federal income tax purposes. Consequently, distributions generally will be reported as dividend income for U.S. information reporting purposes.

You should not include the amount of any Indian tax paid by the Company with respect to the dividend payment, as that tax is, under Indian law, a liability of the Company and not the shareholders, unless you are a U.S. corporation that owns 10% or more of the voting stock of the Company and also claims a foreign tax credit against your U.S. tax liability for your share of income taxes paid by the Company. The dividend is ordinary income that you must include in income when you receive the dividend, actually or constructively.

Subject to the passive foreign investment company rules described below, dividends received by U.S. holders who are individuals (and certain trusts and estates) during taxable years beginning before January 1, 2013 will be taxed at a maximum rate of 15%, where certain holding period and other requirements are satisfied, if such dividends constitute qualified dividend income. "Qualified dividend income" includes dividends paid by a "qualified foreign corporation," and we believe that we are, and will continue to be, a qualified foreign corporation. The dividend will not be eligible for the dividends-received deduction generally allowed to U.S. corporations in respect of dividends received from other U.S. corporations.

Dividends received generally will be income from non-U.S. sources, which may be relevant in calculating your U.S. foreign tax credit limitation. Such non-U.S. source income generally will be "passive category income", or in certain cases "general category income", which is treated separately from other types of income for purposes of computing the foreign tax credit allowable to you. You should consult your own tax advisor to determine the foreign tax credit implications of owning the Equity Shares.

The amount of the dividend distribution that you must include in your income as a U.S. holder will be the U.S. Dollar value of the Indian Rupee payments made, determined at the spot Indian Rupee/U.S. Dollar exchange rate on the date the dividend distribution is includible in your income, regardless of whether the payment is in fact converted into U.S. Dollars. Generally, any gain or loss resulting from currency exchange fluctuations during the period from the date you include the dividend payment in income to the date you convert the payment into U.S. Dollars will be treated as ordinary income or loss. The gain or loss generally will be income or loss from sources within the United States for foreign tax credit limitation purposes.

Non-U.S. Holders. Dividends paid to non-U.S. holders generally will not be subject to U.S. income tax unless the dividends are "effectively connected" with your conduct of a trade or business within the United States, and the dividends are attributable to a permanent establishment (or in the case of an individual, a fixed place of business) that you maintain in the United States if that is required by an applicable income tax treaty as a condition for subjecting you to U.S. taxation on a net income basis. In such cases you generally will be taxed in the same manner as a U.S. holder. If you are a corporate non-U.S. holder, "effectively connected" dividends may, under certain circumstances, be subject to an additional "branch profits tax" at a 30% rate or a lower rate if you are eligible for the benefits of an income tax treaty that provides for a lower rate.

Taxation of Capital Gains

U.S. Holders. Subject to the passive foreign investment company rules discussed below, if you are a U.S. holder and you sell, exchange or otherwise dispose of your Equity Shares, you will generally recognize capital gain or loss for U.S. federal income tax purposes equal to the difference between the U.S. Dollar value of the amount that you realize and your tax basis, determined in U.S. Dollars, in your Equity Shares. Gain or loss recognized on such a sale, exchange or other disposition of Equity Shares generally will be long-term capital gain if the U.S. holder has held the Equity Shares for more than one year. Prior to January 1, 2013, long-term capital gains of U.S. holders who are individuals (as well as certain trusts and estates) holder are generally taxed at a maximum rate of 15%. The gain or loss will generally be income or loss from sources within the United States for foreign tax credit limitation purposes, unless it is attributable to an office or other fixed place of business outside the United States and certain other conditions are met. Your ability to deduct capital losses is subject to limitations.

Non-U.S. Holders. If you are a non-U.S. holder, you will not be subject to U.S. federal income tax on gain recognized on the sale, exchange or other disposition of your Equity Shares unless:

- the gain is "effectively connected" with your conduct of a trade or business in the United States, and the gain is attributable to a permanent establishment (or in the case of an individual, a fixed place of business) that you maintain in the United States if that is required by an applicable income tax treaty as a condition for subjecting you to U.S. taxation on a net income basis; or

- you are an individual, you are present in the United States for 183 or more days in the taxable year of such sale, exchange or other disposition and certain other conditions are met.

In the first case, the non-U.S. holder will be taxed in the same manner as a U.S. holder. In the second case, the non-U.S. holder will be subject to U.S. federal income tax at a rate of 30% on the amount by which such the non-U.S. holder's U.S.-source capital gains exceed such non-U.S.-source capital losses.

If you are a corporate non-U.S. holder, "effectively connected" gains that you recognize may also, under certain circumstances, be subject to an additional "branch profits tax" at a 30% rate or at a lower rate if you are eligible for the benefits of an income tax treaty that provides for a lower rate.

Medicare Tax

For taxable years beginning after December 31, 2012, a United States person that is an individual or estate, or a trust that does not fall into a special class of trusts that is exempt from such tax, is subject to a 3.8% tax on the lesser of (1) the United States person's "net investment income" for the relevant taxable year and (2) the excess of the United States person's modified adjusted gross income for the taxable year over a certain threshold (which in the case of individuals will be between US$125,000 and US$250,000, depending on the individual's circumstances). A holder's net investment income will generally include its gross dividend income and its net gains from the disposition of Equity Shares, unless such dividends or net gains are derived in the ordinary course of the conduct of a trade or business (other than a trade or business that consists of certain passive or trading activities). If you are a United States person that is an individual, estate or trust, you are urged to consult your tax advisors regarding the applicability of the Medicare tax to your income and gains in respect of your investment in the Equity Shares.

Tax Reporting

A U.S. holder generally will be required to file an IRS Form 926 (Return by a U.S. Transferor of Property to a Foreign Corporation) if: (i) the U.S. holder purchases Equity Shares from the Company in an aggregate amount greater than US$100,000 over a 12-month period, or (ii) the U.S. holder purchases Equity Shares from the Company and owns directly or indirectly 10 percent or more of the total voting power or total value of the Company immediately after the purchase. Substantial penalties may be imposed on a U.S. Holder failing to comply with this reporting requirement. In addition, depending on your particular circumstances, you may be required to file certain other IRS information returns with respect to an investment in Equity Shares. Each U.S. Holder is urged to consult with its own tax advisor regarding their own particular circumstances in respect of these reporting obligations.

Passive Foreign Investment Company Considerations

The Code provides special, generally adverse, rules regarding certain distributions received by U.S. persons with respect to, and sales, exchanges and other dispositions, including pledges, of shares of stock in a passive foreign investment company ("**PFIC**"). A foreign corporation will be treated as a PFIC for any taxable year in which either: (i) at least 75 percent of its gross income is "passive income" or (ii) at least 50 percent of its gross assets during the taxable year, based on a quarterly average and generally by value, which produce passive income or are held for the production of passive income. Passive income for this purpose generally includes, among other things, dividends, interest, rents, royalties, gains from commodities and securities transactions, and gains from assets that produce passive income. In determining whether a foreign corporation is a PFIC, a pro rata portion of the income and assets of each corporation in which it owns, directly or indirectly, at least a 25% interest (by value) is taken into account.

The Company does not believe that it should be treated as, and does not expect to become, a PFIC for U.S. federal income tax purposes but the Company's possible status as a PFIC must be determined annually and therefore may be subject to change. However, because this determination is made annually at the end of each taxable year and is dependent upon a number of factors, some of which are beyond the Company's control, including whether the Company continues to earn substantial amounts of operating income, as well as on the market valuation of the Company's assets and the Company's spending schedule for its cash balances and the proceeds of the Issue, and because certain aspects of the PFIC rules are not entirely certain, there can be no assurance that the Company will not become a PFIC or that the IRS will agree with our conclusion regarding our PFIC status.

A U.S. stockholder that holds stock in a foreign corporation during any taxable year in which the corporation qualifies as a PFIC is subject to special tax rules with respect to (a) any gain realized on the sale, exchange or other disposition of the stock and (b) any "excess distribution" by the corporation to the stockholder, unless the stockholder elects to treat the PFIC as a "qualified electing fund" ("**QEF**") or makes a "mark-to-market" election, each as discussed below. An "excess distribution" is that portion of a distribution with respect to PFIC stock that exceeds 125% of the average of such distributions over the preceding three-year period or, if shorter, the stockholder's holding period for its shares. Excess distributions and gains on the sale, exchange or other disposition of stock of a corporation which was a PFIC at any time during the U.S. stockholder's holding period are allocated ratably to each day of the U.S. stockholder's holding period. Amounts allocated to the current taxable year and any taxable year in which the Company was not a PFIC will be taxed as ordinary income (rather than capital gain) earned in the current taxable year. Amounts allocated to other years are taxed at the highest ordinary income tax rates in effect for those years, and the tax for each such prior year is subject to an interest charge at the rate applicable to income tax deficiencies. The preferential U.S. federal income tax rates for dividends and long-term capital gain of individual U.S. holders (as well as certain trusts and estates) would not apply, and special rates would apply for calculating the amount of the foreign tax credit with respect to excess distributions. In addition, a U.S. stockholder who acquires shares in a PFIC from a decedent generally will not receive a "stepped-up" fair market value tax basis in such shares but, instead, will receive a tax basis equal to the decedent's basis, if lower.

If a corporation is a PFIC for any taxable year during which a U.S. stockholder holds shares in the corporation, then the corporation generally will continue to be treated as a PFIC with respect to the stockholder's shares, even if the corporation no longer satisfies either the passive income or passive assets test described above, unless the U.S. stockholder terminates this deemed PFIC status by electing to recognize gain, which will be taxed under the excess distribution rules as if such shares had been sold on the last day of the last taxable year for which the corporation was a PFIC.

The excess distribution rules may be avoided if a U.S. stockholder makes a QEF election effective beginning with the first taxable year in the stockholder's holding period in which the corporation is a PFIC. A U.S. stockholder that makes a QEF election is required to include in income its pro rata share of the PFIC's ordinary earnings and net capital gain as ordinary income and long-term capital gain, respectively, subject to a separate election to defer payment of taxes, which deferral is subject to an interest charge. A U.S. stockholder whose QEF election is effective after the first taxable year during the stockholder's holding period in which the corporation is a PFIC (an "unpedigreed QEF election") will continue to be subject to the excess distribution rules for years beginning with such first taxable year for which the QEF election is effective. Although an option to acquire PFIC stock generally is treated as PFIC stock for purposes of the excess distribution rules, a QEF election with respect to a stockholder's shares will not apply to the stockholder's options. If a stockholder that owns PFIC shares subject to the QEF election acquires additional shares pursuant to the exercise of an option, the additional shares will be subject to the QEF election, but the election may be an unpedigreed QEF election with respect to those shares.

In general, a U.S. stockholder makes a QEF election by attaching a completed IRS Form 8621 to a timely filed (taking into account extension) U.S. federal income tax return for the year beginning with which the QEF election is to be effective. In certain circumstances, a U.S. stockholder may be able to make a retroactive QEF election. A QEF election can be revoked only with the consent of the IRS. In order for a U.S. stockholder to make a valid QEF election, the corporation must annually provide or make available to the stockholder certain information. The Company does not intend to provide to U.S. stockholders the information required to make a valid QEF election and the Company makes no undertaking to provide such information if it is a PFIC.

As an alternative to making a QEF election, a U.S. stockholder may make a "mark-to-market" election with respect to its PFIC shares if the shares meet certain minimum trading requirements. A U.S. stockholder that makes a mark-to-market election will be required to include in income each year an amount equal to the excess of the fair market value of the shares that the stockholder owns as of the close of the taxable year over the stockholder's adjusted tax basis in the shares. The U.S. stockholder will be entitled to a deduction for the excess, if any, of the stockholder's adjusted tax basis in the shares over the fair market value of the shares as of the close of the taxable year; provided, however, that the deduction will be limited to the extent of any net mark-to-market gains with respect to the shares included by the U.S. stockholder under the election for prior taxable years. The U.S. stockholder's basis in the shares will be adjusted to reflect the amounts included or deducted pursuant to the election. Amounts included in income pursuant to a mark-to-market election, as well as gain on the sale, exchange or other disposition of the shares, will be treated as ordinary income. The deductible portion of any mark-to-market loss, as well as loss on a sale, exchange or other disposition of shares to the extent that the amount of such loss does not exceed net mark-to-market gains previously included in income, will be treated as ordinary loss.

The mark-to-market election applies to the taxable year for which the election is made and all subsequent taxable years, unless the shares cease to meet applicable trading requirements (described below) or the IRS consents to its revocation. The excess distribution rules generally do not apply to a U.S. stockholder for tax years for which a mark-to-market election is in effect. However, if a U.S. stockholder makes a mark-to-market election for PFIC stock after the beginning of the stockholder's holding period for the stock, a coordination rule applies to ensure that the stockholder does not avoid the tax and interest charge with respect to amounts attributable to periods before the election.

A mark-to-mark election is available only if the shares are considered "marketable" for these purposes. Shares will be marketable if they are regularly traded on certain U.S. stock exchanges or on certain non U.S. stock exchanges. For these purposes, shares will be considered regularly traded during any calendar year during which they are traded, other than in negligible quantities, on at least 15 days during each calendar quarter. Any trades that have as their principal purpose meeting this requirement will be disregarded. The Company believes a mark-to-market election will be available provided the shares are regularly traded, but each U.S. stockholder should ask its own tax advisor whether a mark-to-market election is available or desirable.

A U.S. stockholder of a PFIC must file an IRS Form 8621 annually regardless of whether or not it makes a QEF election or a mark-to-market election.

U.S. holders are urged to consult their tax advisors as to the effect on them of the PFIC rules and the desirability of making, and the availability of, either a QEF election or a mark-to-market election with respect to our ordinary shares. The Company provides no advice on taxation matters.

Information with Respect to Foreign Financial Assets

Under recently enacted legislation, individuals that own "specified foreign financial assets" with an aggregate value in excess of US$50,000 in taxable years beginning after March 18, 2010 will generally be required to file an information report with respect to such assets with their tax returns. "Specified foreign financial assets" include any financial accounts maintained by foreign financial institutions, as well as any of the following, but only if they are not held in accounts maintained by financial institutions: (i) stocks and securities issued by non-U.S. persons, (ii) financial instruments and contracts held for investment that have non-U.S. issuers or counterparties and (iii) interests in foreign entities. U.S. holders that are individuals are urged to consult their tax advisors regarding the application of this legislation to their ownership of Equity Shares.

Backup Withholding and Information Reporting

In general, information reporting requirements will apply to dividends in respect of Equity Shares or the proceeds received on the sale, exchange, redemption or other disposition of Equity Shares paid within the United States (and, in certain cases, outside the United States) to U.S. holders other than certain exempt recipients, such as corporations, and backup withholding tax may apply to such amounts if the U.S. holder fails to provide an accurate taxpayer identification number (or otherwise establishes, in the manner provided by law, an exemption from backup withholding) or to report dividends required to be shown on the U.S. holder's U.S. federal income tax returns.

Backup withholding is not an additional income tax, and the amount of any backup withholding from a payment to a U.S. holder will be allowed as credit against the U.S. holder's U.S. federal income tax liability provided that the appropriate returns are filed.

A non-U.S. holder generally may eliminate the requirement for information reporting and backup withholding by providing certification of its foreign status to the payor, under penalties of perjury, on IRS Form W-8BEN. You should consult your own tax advisor as to the qualifications for exemption from backup withholding and the procedures for obtaining the exemption.

The foregoing does not purport to be a complete analysis of the potential tax considerations relating to the Issue, and is not tax advice. Prospective investors should consult their own tax advisors as to the particular tax considerations applicable to them relating to the purchase, ownership and disposition of the Equity Shares, including the applicability of the U.S. federal, state and local tax laws or non-tax laws, foreign tax laws, and any changes in applicable tax laws and any pending or proposed legislation or regulations.

LEGAL PROCEEDINGS

We are involved in various legal proceedings including, among others, title and land disputes, criminal proceedings and income tax proceedings. Except as described below, we believe that we are not involved in any material legal proceedings, and in our opinion, no proceedings are threatened, which may have, or have had during the 12 months preceding the date of this Preliminary Offer Document, a material adverse effect on our business, financial position, profitability or results of operations.

Litigation against our Company

A summary of litigation and disputes involving potential financial liability of ₹100.00 million and certain other litigation which we consider material, is as follows:

Civil Proceedings

1. Undrya Sukrya Murkute was the tenant of land bearing survey no. 6, Hissa 14 and 16 situated at Village Barave, Taluka Kalyan, District Thane belonging to one Gulamali Moulvi. Murkute died leaving behind two widows and two daughters. On an application made under the Bombay Tenancy and Agricultural Lands Act, 1948, the Additional Mamlatdar and Agricultural Lands Tribunal, Kalyan declared the family members of Murkute as the statutory purchasers and accordingly a mutation was made in their names. By an agreement of sale dated May 10, 1985, the widows of Murkute agreed to sell the land to one Dalvi. Thereafter, negotiations for sale of the land commenced between Dalvi and the Company for acquisition of the land for the purposes of development. The Company issued a public notice inviting objections in respect of the proposed sale. Moulvi, heir of Gulamali Moulvi, claimed rights to the said property. The said property was allegedly acquired by Ramesh Mehta through an agreement for sale dated July 7, 1995 with Moulvi, for the purpose of development. Moulvi (petitioner) filed a special civil suit (Special Civil Suit No. 303/1997) against the Company and certain others before the Senior-Division Civil Court, Kalyan (the "**Suit**"), for declaration of ownership to title, injunction and partition of the suit property. Further, Ramesh Mehta filed a case (Suit No. 123/1997) against the Company in respect of the above mentioned suit property. Ramesh Mehta made an application in the Suit to implead him as a party to the proceedings. By an order and judgment dated July 5, 2006, the Civil Judge, Kalyan directed the petitioner to implead Ramesh Mehta as a necessary party. Being aggrieved by the said order and judgment, the petitioner filed a writ petition before the High Court of Bombay challenging the validity and legality of the order dated July 5, 2006. Moulvi and Ramesh Mehta claim to have a right in the suit property under the agreement for sale dated July 7, 1995. The contention of the Company is that the development work in the said premises was commissioned by the Company and the entire consideration had been paid to Dalvi, who has paid the requisite amount to the owners of the land. Further, the Company had also created third party rights in respect of the said premises in the buildings to be constructed. The matter relates to our project Godrej Hill, Kalyan and is currently pending.

2. The Federation of Edenwoods Co-operative Housing Society Limited (the "**Federation**") has filed a civil case (R.C.S.No.308 of 2009) against the Company and certain others before the Civil Judge Court (Junior Division), Thane, on the ground of breach of the terms of consent decree filed by the Company in suit no. 34 of 2004 against the same parties and thereby seeking injunction restraining the Company from carrying on construction at the Company's project Godrej Edenwoods, Thane. The Company filed its reply and an injunction application to restrain the Federation from creating obstructions in its construction work and entry of the officials of the Company in the Edenwoods complex. Pursuant to an order dated July 21, 2009, the Joint Civil Judge (Junior Division), Thane, restrained the Federation from obstructing the construction activities by the Company and allowed the Company to continue construction at its own risk. However, it restrained the Company from selling or creating any third party interest in the suit property, till final adjudication. The Company filed an appeal on September 1, 2009 (Miscellaneous Civil Appeal No. 94 of 2009) before the District Judge, Thane against the order dated July 21, 2009, which restricted the right of the Company to create any third party interest till final adjudication of the suit. Pursuant to an order dated April 8, 2011 , the District Judge, Thane allowed the Company to create third party rights in the Pine, Regency Park Tower B and Birch buildings, and restrained it from selling row apartments, pending hearing and final disposal of the suit. The matter is currently pending.

3. Ascent Construction has filed a civil case (Special Civil Suit No. 479 of 2009) before the Joint Civil Judge Senior Division, Thane against the Company, the Municipal Commissioner, the Municipal Corporation and 16 others for declaration and injunction against the Company restraining it from encroaching on the plot of land adjoining Godrej Edenwoods and measuring 2,166.80 square metres at Villa Chitala Mandapa Taluk, Thane (West) and giving vacant possession to them. The allegation is that the Company, along with the other defendant parties, is encroaching upon the plaintiff's land. The matter is currently pending.

4. Dr. Meenaz Kassam has filed a civil case (No.11 of 2012) against M/s. Universal Builders, the Company and certain others before the Court of Senior Civil Judge, Bangalore, Rural District. The Company has entered into a development agreement with M/s. Universal Builders to develop 27 acres contiguous converted land parcels under residential zone at Dodda Thoggur village, Electronics City, Bangalore. A plaint was filed for specific performance of an agreement for sale dated December 6, 2007 entered into between Dr. Meenaz Kassam and M/s. Universal Builders either by executing a sale deed, or in the alternative, a decree directing M/s. Universal Builders to pay a sum of ₹ 29,560,000 and interest of 12% p.a. thereon till the date of payment. In addition, Dr. Meenaz Kassam has requested for compensation of ₹ 4,380,750 and ₹ 50 per sq. ft. per month and costs from the date the suit was filed till possession of the property is delivered to Dr. Meenaz Kassam. The matter is currently pending.

5. TCM Limited ("**TCM**") filed a reference on September 30, 2004 with the BIFR under Section 15(1) of the Sick Industrial Companies (Special Provisions) Act, 1985 to declare it as a sick industrial company. On February 6, 2007, the BIFR declared TCM as a sick industrial company. On February 15, 2008, TCM entered into an agreement with the Company agreeing to grant development rights in respect of immoveable property measuring 21.66 acres at Trikkakara North Village, Kanayannur Taluk, Ernakularm, Kerala, subject to the approval of the BIFR. Pursuant to an order dated November 28, 2008, the BIFR granted approval to TCM to enter into the development agreement with the Company and utilise the project advance of ₹ 200.00 million to pay off the secured creditors, statutory dues etc. Accordingly, the Company advanced ₹ 196.70 million to the secured creditors of TCM.

   T S Sanil, one of the shareholders of TCM, filed an appeal (No. 238 of 2009) before the AAFIR challenging the order dated November 28, 2008 of the BIFR and, the appeal was allowed by an order dated January 14, 2011. TCM filed a writ petition (WP No.1466/11) before the High Court of Delhi challenging the order dated January 14, 2011. The High Court of Delhi, by an order dated March 23, 2011, allowed the appeal and remanded the matter back to the AAIFR for fresh hearing. The Company, being an aggrieved party, also filed a writ petition (No. 1909 of 2011) before the High Court of Delhi, which by an order dated March 23, 2011 set aside the order dated January 14, 2011 on the ground that the Company was not given an opportunity of being heard and directed AAIFR to hear the Company before deciding the said matter. Further, the High Court of Delhi, by an order dated March 29, 2011 has directed TCM not to create any third interest by selling, alienating or encumbering the property. The matter is currently pending.

   Additionally, one T. P. Muralidharanhan has filed an appeal (No. 85 of 2011) before the AAIFR challenging the order dated November 28, 2008 of the BIFR. Further, Venkateswara Rao Chagarlamudi, a shareholder of TCM, has filed a writ petition (No. 22931 of 2011) against TCM, the Company and certain others before the High Court of Kerala at Ernakulam challenging the order dated June 6, 2011 pronounced by the AAIFR dismissing an appeal (No. 108 of 2011) filed against with the AAFIR the order dated November 28, 2008 of the BIFR. These matters are currently pending.

Criminal Proceedings

1. The Company, along with its Directors, Mr. Adi B. Godrej, Mr. Amit B. Choudhury and Mr. Milind S. Korde and other employees, filed a criminal writ petition (WP No. 1360 of 2006) before the High Court of Bombay challenging the order dated May 5, 2006 passed by the Sessions Judge, Mumbai in a criminal revision application (No. 386 of 2006), whereby the proceedings initiated by Grentex Wools Private Limited ("**Grentex**") in a criminal case (Stamp No. 388/M/2004) filed before the Metropolitan Magistrate Court, Vikhroli were not quashed. The matter in the criminal complaint filed before the Metropolitan Magistrate relates to a development agreement dated December 30, 1997 between Grentex and the Company. Grentex has alleged offences relating to misappropriation of funds and falsification of accounts by the Company. The

dispute was referred for investigation and based on the investigation report, process was issued against the Company by an order dated February 1, 2006. Therefore, the Company and certain others filed the writ petition (WP No. 1360 of 2006) for setting aside the criminal complaint as well as the orders passed by the Metropolitan Magistrate and the Sessions Judge. The Company also filed a criminal application (No. 2133 of 2006) before the High Court of Bombay, Criminal Appellate Jurisdiction for quashing the order dated February 1, 2006. Both these matters (WP No. 1360 of 2006 and No. 2133 of 2006) were disposed off by an order dated September 13, 2007 of the High Court of Bombay, Criminal Appellate Jurisdiction, wherein Grentex had submitted that in view of the pending arbitration proceedings, it will not proceed with the criminal case (No. 41/SW/2006 (Stamp No. 388/M/2004)) pending before the Metropolitan Magistrate Court, Vikhroli. However, this criminal case (No. 41/SW/2006) is currently pending.

2. Zinnia Cooperative Housing Society (the "**Society**") filed a complaint (Complaint No. 94 of 2003) before the Magistrate, Kalyan *inter alia* under sections 11, 13 and 14 of the Maharashtra Ownership of Flats (Regulation of the Promotion of Construction, Sale, Management & Transfer) Act, 1963, as amended, against the Company and the Managing Director of the Company. The Company developed a complex known as "Godrej Hill" at Kalyan. Various persons purchased flats in the complex and accordingly became flat owners in the Society. The Society alleged that according to the agreements entered into between the Company and the flat owners it was agreed that the Company shall provide certain amenities like water distribution system, sewage disposal system, bus service between the society complex and Kalyan railway station, to the flat owners. However, the Company received legal notices on October 25, 2005 in relation to discontinuance of the bus service between the Society complex and the Kalyan railway station. The contention of the Company is that the bus service was discontinued by the service provider M/s. Trevor Britto due to non-payment of bus charges by the societies in the complex and the Company is not responsible for payment of bus charges. The matter is currently pending.

Service Tax Proceedings

The Commissioner of Service Tax, Service Tax Commissionerate No. 16/1 issued a show cause notice dated May 18, 2011 to the Company for short payment of service tax of approximately ₹ 103.35 million and applicable interest and penalty, stating that the Company has wrongly registered itself under "Works Contract Service" category instead of "Construction of Complex Service" category. The Company has filed its replies to the aforesaid notice on June 17, 2011 and July 15, 2011 stating that it is not liable to pay service tax under the "Construction of Complex" category but falls under the "Works Contract Service" category and has requested to drop the proceedings. The matter is currently pending.

For details of contingent liabilities of our Company on a consolidated basis, see "***Management's Discussion and Analysis of Financial Condition and Results of Operations***" and "***Financial Statements***".

Material litigations involving lands forming part of the Completed Projects, the Ongoing Projects and the Forthcoming Projects in which neither the Company nor the Directors are parties

Four civil suits and one caveat application has been filed *inter alia* before the Senior Civil Judge, Ahmedabad (Rural), Civil Judge, Ahmedabad (Rural) and the Principal Senior Civil Judge and Ahmedabad (Rural) claiming rights in relation to land parcels bearing Survey No.29A, Survey No.37, Survey No.45, Survey No. 43, Survey No.65 located at Ahmedabad and Block No.111 and 112 at Dascroi, Ahmedabad. The Company is not party to these cases. These matters are currently pending.

Miscellaneous

Certain of our Directors, either in their capacity as Directors of the Company or as directors of other companies, are involved in various legal proceedings, including among others, criminal proceedings, proceedings in relation to foreign exchange regulations, labour law related proceedings, proceedings by municipal authorities and consumer disputes.

Additionally, Mr. Keki B. Dadiseth is one of the persons arraigned in the SEBI's writ petition against the Appellate Authority quashing SEBI order, pending before the High Court of Bombay in the matter of Hindustan Unilever

Limited under the SEBI (Prohibition of Insider Trading) Regulations, 1992, and in the pending prosecution filed by SEBI, consequent to the adjudication order, which had been quashed by the Appellate Authority. Hindustan Unilever Limited and its directors, including Mr. Keki B. Dadiseth, challenged the prosecution proceedings before the Bombay High Court. The proceedings continue to be pending without any substantive progress so far for the last 14 years.

INDEPENDENT ACCOUNTANTS

M/s. Kalyaniwalla & Mistry, Chartered Accountants, statutory Auditor of the Company, have audited the Company's consolidated financial statements as of and for each of the years ended March 31, 2011, 2010 and 2009 and as of and for the nine month periods ended December 31, 2011 and 2010, included in this Preliminary Offer Document. M/s. Kalyaniwalla & Mistry, Chartered Accountants is an independent auditor with respect to the Company as required by the Companies Act and in accordance with the guidelines issued ICAI.

GENERAL INFORMATION

1. The Company was originally incorporated as Sea Breeze Constructions and Investments Private Limited on February 8, 1985 under the Companies Act. The name of the Company was changed to Godrej Properties and Investments Private Limited and a fresh certificate of incorporation consequent to the change of name was obtained on July 16, 1990. In the year 1991, the status of the Company was changed to a deemed public company by deletion of the word "Private" from the name of the Company. Subsequently the status was changed to a public limited company pursuant to a special resolution of the members passed at the extraordinary general meeting held on August 1, 2001 and the same was approved by the RoC on September 18, 2001. The name of the Company was further changed to Godrej Properties Limited pursuant to a special resolution of the members passed at the extraordinary general meeting held on November 23, 2004. A fresh certificate of incorporation consequent to the change of name was granted by the RoC on December 10, 2004. The registered office of the Company is situated at Godrej Bhavan, 4th Floor, 4A, Home Street, Fort, Mumbai 400 001.

2. The Issue is being made to Eligible QIBs in reliance upon Chapter VIII-A of the SEBI Regulations.

3. The Issue has been authorised and approved by the Board of Directors and the Securities Issuance Committee through resolutions dated February 8, 2012 and March 15, 2012, respectively, and by the Company's shareholders through a special resolution dated March 5, 2012.

4. The Company has received in-principle approvals under Clause 24(a) of the Equity Listing Agreement to list the Equity Shares being offered in the Issue on the BSE and the NSE on March 12, 2012 and March 13, 2012, respectively.

5. The Company has obtained and will obtain necessary consents, approvals and authorisations required in connection with the Issue.

6. Except as disclosed in this Preliminary Offer Document, there has been no material change in the Company's financial condition since December 31, 2011, the date of its latest audited financial statements, prepared in accordance with Indian GAAP, included herein.

7. Except as disclosed in this Preliminary Offer Document, there are no legal or arbitration proceedings against or affecting the Company or its assets or revenues, nor is the Company aware of any pending or threatened legal or arbitration proceedings, which are, or might be, material in the context of the Issue.

8. The Company's statutory Auditor, M/s. Kalyaniwalla & Mistry, Chartered Accountants has audited the Company's consolidated financial statements as of and for each of the years ended March 31, 2011, 2010 and 2009 and as of and for nine month periods ended December 31, 2011 and 2010, and have consented to the inclusion of their audit report in relation thereto in this Preliminary Offer Document.

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

10. **Consents**

Consents in writing of: (a) the Directors and the legal advisors; (b) M/s. P. G. Patki Architects Private Limited; and (c) the BRLMs, the Syndicate Member, the Public Issue Account Bank and the Registrar to the Issue to act in their respective capacities, have been obtained and filed along with a copy of the Preliminary Offer Document with the RoC and such consents will not be withdrawn up to the time of delivery of this Preliminary Offer Document for registration with the RoC.

M/s. Kalyaniwalla & Mistry, Chartered Accountants, the Company's statutory Auditor, have given their written consent to the inclusion of their report dated March 2, 2012 in the form and context in which it appears in this Preliminary Offer Document. M/s. Kalyaniwalla & Mistry, Chartered Accountants, have given their written consent to inclusion of their report dated March 1, 2012 relating to the possible tax benefits accruing to the Company and its shareholders in the form and context in which it appears in this Preliminary Offer Document.

11. **Experts**

The statutory Auditor of the Company, M/s. Kalyaniwalla & Mistry, Chartered Accountants, have furnished a report dated March 1, 2012 relating to the possible tax benefits accruing to the Company and its shareholders in the form and context in which it appears in this Preliminary Offer Document.

Except for the Architect's certificate dated March 9, 2012 provided by M/s. P. G. Patki Architects Private Limited and the statement of tax benefits provided by M/s. Kalyaniwalla & Mistry, Chartered Accountants, the Company has not obtained any expert opinion.

12. **Company Secretary and Compliance Officer**

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

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

Investors can contact the Compliance Officer or the Registrar to the Issue in case of any pre or post-Issue related problems related to Allotment, credit of Allotted Equity Shares in the respective beneficiary account or unblocking of funds in the ASBA Accounts.

13. **Price Information of Past Issues handled by BRLMs**

(a) Price information of past issues handled by Kotak

Sr. No.	Issue Name	Issue size (₹ Cr.)	Issue price (₹)	Listing date	Opening price on listing date	Closing price on listing date	% Change in Price on listing date (Closing) vs. Issue Price	Benchmark index on listing date (Closing)	Closing price as on 10th calendar day from listing day	Benchmark index as on 10th calendar day from listing day (Closing)	Closing price as on 20th calendar day from listing day	Benchmark index as on 20th calendar day from listing day (Closing)	Closing price as on 30th calendar day from listing day	Benchmark index as on 30th calendar day from listing day (Closing)
1	Future Ventures India Limited	750.00	10.00	May 10, 2011	9.00	8.20	(18.00)%	5,541.25	8.30	5,486.35	8.10	5,473.10	9.30	5,521.05
2	Muthoot Finance Limited	901.25	175.00	May 6, 2011	196.60	175.90	0.51%	5,551.45	160.50	5,499.00	157.60	5,412.35	177.90	5,516.75
3	Coal India Limited[1]	15,199.44	245.00	November 4, 2010	291.00	342.55	39.82%	6,281.80	320.15	6,071.65	310.80	5,865.75	321.95	5,992.80
4	Prestige Estates Projects Limited	1,200.00	183.00	October 27, 2010	190.00	193.15	5.55%	6,012.65	205.85	6,312.45	187.85	5,988.70	160.15	5,751.95
5	Oberoi Realty Limited	1,028.61	260.00	October 20, 2010	271.10	282.90	8.81%	5,982.10	279.05	6,017.70	289.15	6,301.55	262.35	5,890.30
6	Tecpro Systems Limited[2]	267.69	355.00	October 12, 2010	380.00	405.70	14.28%	6,090.90	393.75	6,066.05	424.55	6,117.55	410.95	6,194.25
7	Eros International Media Limited	350.00	175.00	October 6, 2010	205.45	190.25	8.71%	6,186.45	175.55	6,062.65	184.00	6,082.00	193.05	6,312.45
8	Gujarat Pipavav Port Limited	553.85	46.00	September 9, 2010	56.10	54.05	17.50%	5,640.05	54.00	5,884.95	61.00	5,991.30	59.35	6,103.45
9	Bajaj Corp Limited	297.00	660.00	August 18, 2010	760.00	758.75	14.96%	5,479.15	730.45	5,408.70	730.15	5,604.00	724.65	5,884.95
10	SKS Microfinance	1,628.78	985.00	August 16, 2010	1,040.00	1,088.65	10.52%	5,418.30	1,161.40	5,477.90	1,289.55	5,479.40	1,404.85	5,860.95

Sr. No.	Issue Name	Issue size (₹ Cr.)	Issue price (₹)	Listing date	Opening price on listing date	Closing price on listing date	% Change in Price on listing date (Closing) vs. Issue Price	Benchmark index on listing date (Closing)	Closing price as on 10th calendar day from listing day	Benchmark index as on 10th calendar day from listing day (Closing)	Closing price as on 20th calendar day from listing day	Benchmark index as on 20th calendar day from listing day (Closing)	Closing price as on 30th calendar day from listing day	Benchmark index as on 30th calendar day from listing day (Closing)
	Limited[3]													

Source: www.nseindia.com

[1]*In Coal India Limited, the issue price after discount to the retail individual bidders and the eligible employees was ₹232.75 per equity share.*

[2]*In Tecpro Systems Limited, the issue price after discount to the eligible employees was ₹338 per equity share.*

[3]*In SKS Microfinance Limited, the issue price after discount to the retail individual bidders was ₹935 per equity share*

(b) Summary statement of price information of past issues handled by Kotak

Fiscal Year	Total No. of IPOs	Total Funds Raised (₹Cr.)	No. of IPOs trading at discount on listing date			No. of IPOs trading at premium on listing date			No. of IPOs trading at discount as on 30th calendar day from listing day			No. of IPOs trading at premium as on 30th calendar day from listing day		
			Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%
April 1, 2011 – March 8, 2012	2	1,651.25	-	-	1	-	-	1	-	-	1	-	-	1
2011	11	23,457.98	-	-	2	-	1	8	-	1	2	-	3	5
2010	11	16,057.69	-	-	4	1	1	5	-	-	6	1	-	4

Source: www.nseindia.com

Note*:* In the event any day falls on a holiday, the price/ index of the immediately preceding working day has been considered.

(c) Price information of past issues handled by UBS

Sr. No.	Issue Name	Issue size (₹ Cr.)	Issue price (₹)	Listing date	Opening price on listing date	Closing price on listing date	% Change in Price on listing date (Closing) vs. Issue Price	Benchmark index on listing date (Closing)	Closing price as on 10th calendar day from listing day	Benchmark index as on 10th calendar day from listing day (Closing)	Closing price as on 20th calendar day from listing day	Benchmark index as on 20th calendar day from listing day (Closing)	Closing price as on 30th calendar day from listing day	Benchmark index as on 30th calendar day from listing day (Closing)
1	Hathway Cable & Datacom Limited	666.0	240.0	February 25, 2010	250.0	207.7	-13%	4,859.8	214.6	5,088.7	208.8	5,231.9	205.2	5,282.0
2	Orient Green Power Company Limited	900.0	47.0	October 8, 2010	45.7	44.7	-5%	6,103.5	41.2	6,076.0	40.7	5,987.7	39.1	6,312.5
3	Prestige Estates Projects Limited	1,200.0	183.0	October 27, 2010	190.0	193.2	6%	6,012.7	205.9	6,312.5	187.9	5,988.7	160.2	5,752.0

Source: www.nseindia.com

(d) Summary statement of price information of past issues handled by UBS

Fiscal Year	Total No. of IPOs	Total Funds Raised (₹Cr.)	No. of IPOs trading at discount on listing date			No. of IPOs trading at premium on listing date			No. of IPOs trading at discount as on 30th calendar day from listing day			No. of IPOs trading at premium as on 30th calendar day from listing day		
			Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%
2009-2010	1.0	666.0	-	-	1.0	-	-	-	-	-	1.0	-	-	-
2010-2011	2.0	2,100.0	-	-	1.0	-	-	1.0	-	-	2.0	-	-	-
2011-2012	-	-	-	-	-	-	-	-	-	-	-	-	-	-

Source: www.nseindia.com

Note*:* In the event any day falls on a holiday, the price/ index of the immediately preceding working day has been considered.

14. **Track record of past issues handled by BRLMs**

In terms of the circular dated January 10, 2012 issued by SEBI, we confirm that none of the BRLMs have managed any public issue of debt or equity securities which have been listed on or after January 10, 2012. Further, in terms of the above mentioned circular, the BRLMs are required to disclose the track record for issues handled by them for the previous three years by March 31, 2012. Accordingly, the information in this respect will be made available on the respective websites of the Book Running Lead Managers at http://investmentbank.kotak.com/offer-documents/TRPI.html and www.ubs.com/indianoffers.

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FINANCIAL STATEMENTS

AUDITORS' REPORT

The Board of Directors
Godrej Properties Limited,
Godrej Bhavan,
4th Floor, 4A Home Street,
Fort, Mumbai - 400 001

Dear Sirs,

1. We have examined the attached consolidated financial information of Godrej Properties Limited (the "**Company**"), its subsidiaries and Limited Liability Partnerships (collectively referred to as the "**Group**") comprising Consolidated Statements of Assets and Liabilities (Annexure-I), Consolidated Statements of Profits & Losses (Annexure-II), Consolidated Cash Flow Statements (Annexure-III) as on and for the years ended March 31, 2011, 2010 and 2009 and the nine month periods ended on December 31, 2011 and 2010 along with Accounting Policies (Annexure-XX) and Notes to Accounts (Annexure-XXI) for the years ended on March 31, 2011, 2010 and 2009 and the nine month periods ended December 31, 2011 and 2010 as approved by the Board of Directors the Company, prepared in terms of applicable provisions of the Companies Act, 1956 (the "**Act**"), Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended ("**ICDR Regulations**") and in terms of our engagement agreed upon with you in accordance with the appointment letter dated February 8, 2012 and our engagement letter dated February 10, 2012, in connection with the proposed Institutional Placement Programme (IPP) of Equity Shares by the Company.

2. The preparation and presentation of this consolidated financial information is the responsibility of the Company's Management.

3. The attached consolidated financial information have been correctly extracted by the Management from the Group Companies' audited financial statements for the years ended on March 31, 2011, 2010 and 2009 and for the nine month periods ended on December 31, 2011 and 2010.

   We, the statutory auditors of the Company have audited in accordance with IGAAS, the consolidated balance sheet of the Company as on December 31, 2011 and 2010 and the related profit and loss account and the cash flow statement for the nine month periods then ended and the related schedules, notes and annexures thereto, prepared in accordance with generally accepted accounting principles in India ("**Indian GAAP**") in respect of which we have issued unqualified audit report.

4. We have performed such tests and procedures, which in our opinion, were necessary for the examination of the attached consolidated financial information. These tests and procedures, mainly involved comparison of the attached consolidated financial information with the Group Companies audited financial statements for the respective years/periods.

5. Based on the above, we report that in our opinion and according to the information and explanations given to us, we have found the attached consolidated financial information to be correct and the same have been used appropriately.

6. In accordance with the requirements of the ICDR Regulations, applicable provisions of the Act and the terms of our engagements agreed with you, we have also examined the other consolidated financial information, as stated in table below, as on and for the years ended on March 31, 2011, 2010 and 2009 and for the nine month periods ended on December 31, 2011 and 2010, prepared by the Management and approved by the Board of Directors of the Company for the purpose of inclusion in the Preliminary Offer Document and Offer Document in connection with the proposed IPP of Equity Shares of the Company.

a.	Statement of Share Capital	Annexure- IV
b.	Statement of Reserves & Surplus	Annexure- V
c.	Statement of Secured Loans	Annexures- VI
d.	Statement of Unsecured Loans	Annexures- VII
e.	Statement of Fixed Assets	Annexures- VIII A,B,C,D,E
f.	Statement of Inventories	Annexure-IX
g.	Statement of Sundry Debtors	Annexure-X
h.	Statement of Loans & Advances	Annexure- XI
i.	Statement of Cash & Bank Balance	Annexure- XII
j.	Statement of Investments	Annexure- XIII
k.	Statement of Current Liabilities & Provisions	Annexure- XIV
l.	Statement of Sales, Operating Income & Other Income	Annexure- XV
m.	Statement of Cost of Sales	Annexure-XVI
n.	Statement of Employee Remuneration and Benefits	Annexure- XVII
o.	Administration Expenses	Annexure- XVIII
p.	Statement of Interest and Finance Charges	Annexure- XIX

7. Based on Para 2, 3, 4 and 5 above, we report that in our opinion and according to the information and explanations given to us, we have found the information as mentioned in Para 1 and 6 to be correctly extracted from the audited consolidated financial statements and the same has been prepared in accordance with the ICDR Regulations and the applicable provisions of the Act.

8. The attached consolidated financial information, do not reflect the effect of events that occurred subsequent to the date of our report on those consolidated financial statement.

9. This report is intended solely for use of the management and for inclusion in the Preliminary Offer Document and Offer Document in connection with IPP of the Equity Shares of the Company and is not to be used, referred to or distributed for any other purpose without our prior written consent.

For and on behalf of
Kalyaniwalla & Mistry
Chartered Accountants
Firm Registration No.104607W

Ermin K. Irani
Partner
Membership No. 035646
Place: Mumbai
Dated: March 02, 2012

AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF GODREJ PROPERTIES LIMITED

ANNEXURE I: CONSOLIDATED STATEMENT OF ASSETS AND LIABILITIES

Rs. in Millions

PARTICULARS	AS AT		AS AT MARCH 31,		
	31.12.2011	31.12.2010	2011	2010	2009
SOURCES OF FUNDS					
SHAREHOLDERS' FUNDS					
Share Capital	698.50	698.50	698.50	698.50	604.20
Reserves & Surplus	9,009.01	8,182.88	8,417.43	7,474.19	2,384.51
LOAN FUNDS					
Secured Loan	11,398.02	4,180.78	5,477.90	3,831.48	4,659.83
Unsecured Loan	8,603.56	4,524.18	3,970.70	3,264.33	1,903.59
MINORITY INTEREST	231.38	66.80	148.34	29.72	16.76
	29,940.47	**17,653.14**	**18,712.87**	**15,298.22**	**9,568.89**
APPLICATION OF FUNDS					
FIXED ASSETS					
Gross Block	577.07	396.69	560.04	339.59	398.38
Less : Accumulated Depreciation	126.34	89.24	99.23	63.47	38.91
Net Block	**450.73**	**307.45**	**460.81**	**276.12**	**359.47**
Capital Work in Progress / Advance	34.46	5.90	13.81	2.18	32.54
	485.19	**313.35**	**474.62**	**278.30**	**392.01**
INVESTMENTS	29.79	1,576.09	141.41	2,078.07	0.03
DEFERRED TAX ASSET	12.00	6.21	8.40	2.73	4.86
CURRENT ASSETS, LOANS AND ADVANCES					
Inventories	19,221.90	9,541.56	10,154.49	7,250.92	4,758.64
Sundry Debtors	4,192.53	970.26	2,899.50	1,797.97	1,385.52
Cash and Bank Balances	684.82	637.29	1,490.34	955.00	268.75
Loans & Advances	8,395.71	7,612.12	6,964.14	4,926.57	3,962.41
	32,494.96	**18,761.23**	**21,508.47**	**14,930.46**	**10,375.32**
LIABILITIES & PROVISIONS					
Current Liabilities	2,961.46	2,898.15	2,919.57	1,621.36	1,005.41
Provisions	120.10	105.66	500.56	370.01	197.97
	3,081.56	**3,003.81**	**3,420.13**	**1,991.37**	**1,203.38**
NET CURRENT ASSETS	**29,413.40**	**15,757.42**	**18,088.34**	**12,939.09**	**9,171.94**
MISCELLANEOUS EXPENDITURE					
(to the extent not written off or					

PARTICULARS	AS AT		AS AT MARCH 31,		
	31.12.2011	31.12.2010	2011	2010	2009
adjusted)					
Preliminary Expenditure	0.09	0.07	0.10	0.03	0.05
	29,940.47	**17,653.14**	**18,712.87**	**15,298.22**	**9,568.89**

ANNEXURE II: CONSOLIDATED STATEMENT OF PROFITS AND LOSSES

Rs. in Millions

PARTICULARS	FOR THE PERIOD		FOR THE YEAR ENDED MARCH 31,		
	01.04.2011 to 31.12.2011	01.04.2010 to 31.12.2010	2011	2010	2009
INCOME					
Sales	4,036.24	1,236.20	4,412.31	2,115.17	1,851.85
Operating Income	162.14	0.74	102.73	311.81	200.79
Other Income	266.80	1,016.83	1,074.06	1,476.86	490.20
Total Income	**4,465.18**	**2,253.77**	**5,589.10**	**3,903.84**	**2,542.84**
EXPENDITURE					
Cost of Sales	3,229.76	1,033.16	3,239.99	2,000.27	1,211.07
Employee Remuneration & Benefits	45.88	24.49	73.13	106.85	37.51
Administration Expenses	133.30	85.60	151.20	141.49	99.85
Interest & Finance Charges (Net)	43.39	9.56	34.00	5.54	93.57
Depreciation	27.82	27.99	39.73	25.99	11.48
Preliminary Expenses written off	0.01	0.01	0.02	0.01	0.01
Total Expenditure	**3,480.16**	**1,180.81**	**3,538.07**	**2,280.15**	**1,453.49**
PROFIT BEFORE TAX , MINORITY INTEREST AND EXTRAORDINARY ITEMS	985.02	1,072.96	2,051.03	1,623.69	1,089.35
PROFIT AFTER EXTRAORDINARY ITEMS BUT	985.02	1,072.96	2,051.03	1,623.69	1,089.35
BEFORE TAX AND MINORITY INTEREST					
LESS: PROVISION					
For Current Tax	325.49	330.07	628.09	379.68	322.53
For Fringe Benefit Tax	-	-	-	-	1.65
For MAT Credit Entitlement	-	-	*	*	-
For Deferred Tax	(3.60)	(3.48)	(5.67)	2.13	(1.08)
NET PROFIT AFTER TAX BUT BEFORE MINORITY INTEREST	**663.13**	**746.37**	**1,428.61**	**1,241.88**	**766.25**
ADJUSTMENTS					
Prior Period Items.	1.08	-	-	-	-
Income Tax - Earlier Years	(1.69)	(1.01)	(1.83)	(2.14)	(10.10)
NET PROFIT BEFORE MINORITY INTEREST	**662.52**	**745.36**	**1,426.78**	**1,239.74**	**756.15**
Minority Interest	(81.27)	(36.67)	(118.22)	(11.62)	(9.34)

PARTICULARS	FOR THE PERIOD		FOR THE YEAR ENDED MARCH 31,		
	01.04.2011 to 31.12.2011	**01.04.2010 to 31.12.2010**	**2011**	**2010**	**2009**
NET PROFIT AFTER TAX AND MINORITY INTEREST	**581.25**	**708.69**	**1,308.56**	**1,228.12**	**746.81**
Surplus Brought Forward	2,339.86	1,538.01	1,538.01	757.70	262.61
Adjustment of opening profit/loss of subsidiaries	(0.52)	-	-	-	-
AMOUNT AVAILABLE FOR APPROPRIATION	**2,920.59**	**2,246.70**	**2,846.57**	**1,985.82**	**1,009.42**
Less:					
Proposed Dividend	-	-	314.33	279.40	151.05
Dividend Distribution Tax	-	-	50.99	46.41	25.67
Transfer to General Reserve	-	-	141.39	122.00	75.00
	-	**-**	**506.71**	**447.81**	**251.72**
SURPLUS CARRIED FORWARD TO BALANCE	**2,920.59**	**2,246.70**	**2,339.86**	**1,538.01**	**757.70**
SHEET					
Basic Earnings per share in Rs.	8.32	10.15	18.73	19.50	12.36
Diluted Earnings per share in Rs.	8.32	10.15	18.73	19.50	12.36

* Represents amount less than Rs. 5,000/-

ANNEXURE III: CONSOLIDATED STATEMENT OF CASH FLOWS

Rs. in Millions

PARTICULARS	FOR THE PERIOD		FOR THE YEAR ENDED MARCH 31,		
	01.04.2011 to 31.12.2011	01.04.2010 to 31.12.2010	2011	2010	2009
CASH FLOW FROM OPERATING ACTIVITIES					
Net Profit Before Tax, Minority Interest and Extraordinary	**985.01**	**1,072.96**	**2,051.03**	**1,623.69**	**1,089.35**
Items					
Adjustments for:					
Depreciation	27.82	27.99	39.73	25.99	11.48
(Profit)/ loss on disposal of fixed assets	-	0.07	0.42	(0.01)	0.04
Profit/ loss on sale of investments	(182.76)	(898.61)	(898.61)	(1,398.55)	(419.90)
Preliminary expenses written off	0.01	0.01	0.02	0.01	0.01
Interest Charges	43.39	9.56	34.00	5.54	93.57
Interest Income	(72.50)	(48.75)	(80.39)	(50.43)	(69.09)
Dividend Income	(9.34)	(67.77)	(87.12)	(24.42)	(0.01)
ESGS Compensation	10.85	-	-	-	-
Provision for Diminution in value of Investment / (Written Back)	-	-	-	*	-
Operating Profit before working capital changes	802.48	95.46	1,059.08	181.82	705.45
Adjustments for:					
Changes in Sundry Debtors	(1,293.03)	827.71	(1,101.53)	(412.45)	(645.99)
Changes in Loans & Advances	(1,446.62)	(2,687.12)	(2,014.08)	(952.09)	(1,086.40)
Changes in Inventories	(9,067.41)	(2,290.64)	(2,903.58)	(2,492.28)	(1,910.72)
Changes in Current Liabilities & Provisions	43.52	1,280.24	1,304.58	617.30	(350.10)
CASH GENERATED FROM OPERATIONS	(10,961.06)	(2,774.35)	(3,655.53)	(3,057.70)	(3,287.76)
Direct Taxes paid	(345.83)	(274.70)	(547.19)	(366.15)	(429.29)
NET CASH FLOW FROM OPERATING ACTIVITIES	**(11,306.89)**	**(3,049.05)**	**(4,202.72)**	**(3,423.85)**	**(3,717.05)**
CASH FLOW FROM INVESTING ACTIVITIES					
Proceeds from disposal of Fixed Assets	0.24	1.08	1.17	1.58	22.63
Purchase of Fixed Assets	(38.62)	(64.20)	(237.64)	(70.04)	(53.67)
Proceeds from Sale of Investments	1,080.06	2,443.17	3,895.60	2,456.62	420.06
Purchase of Investments	(785.45)	(1,042.18)	(1,059.93)	(2,978.56)	-
Investments in Partnership Firm	1.00	-	-	-	-
Interest Received	88.63	50.33	56.90	38.37	46.65
Dividend Received	9.34	67.77	87.12	24.42	0.01
Preliminary Expenses Incurred	-	(0.06)	(0.09)	-	(0.02)

PARTICULARS	FOR THE PERIOD		FOR THE YEAR ENDED MARCH 31,		
	01.04.2011 to 31.12.2011	01.04.2010 to 31.12.2010	2011	2010	2009
NET CASH FLOW FROM INVESTING ACTIVITIES	**355.20**	**1,455.91**	**2,743.13**	**(527.61)**	**435.66**
CASH FLOW FROM FINANCING ACTIVITIES					
Proceeds from issue of equity shares	-	-	-	4,285.65	-
Proceeds from issue of equity shares to minority	-	0.02	0.02	-	0.17
Proceeds from / (Repayment of) Secured Term Loan	6,912.40	(971.50)	(1,257.80)	(146.10)	2,477.30
Change in Secured Working Capital Loan	(992.28)	1,320.80	2,904.22	(682.25)	981.17
Proceeds from / (Repayment of) Unsecured Term Loan	3,500.00	1,100.00	100.00	800.00	250.00
Change in Unsecured Working Capital Loan	(590.78)	84.74	515.29	(168.20)	122.84
Proceeds from / (Repayment of) Fixed Deposits	1,038.46	75.11	91.07	748.94	(19.10)
Proceeds from / (Repayment of) Loan from Companies	667.00	-	-	(20.00)	20.00
Proceeds/repayment from other borrowings	18.19	-	-	-	-
Interest paid	(41.50)	(7.93)	(32.06)	(3.61)	(80.59)
Dividend paid (including Tax)	(365.32)	(325.81)	(325.81)	(176.72)	(287.95)
NET CASH FLOW FROM FINANCING ACTIVITIES	**10,146.17**	**1,275.43**	**1,994.93**	**4,637.71**	**3,463.84**
Net Increase/ (Decrease) in Cash and Cash Equivalents	**(805.52)**	**(317.71)**	**535.34**	**686.25**	**182.45**
Opening Cash and Cash Equivalents	**1,490.34**	**955.00**	**955.00**	**268.75**	**86.30**
Closing Cash and Cash Equivalents	**684.82**	**637.29**	**1,490.34**	**955.00**	**268.75**

* Represents amount less than Rs. 5,000/-

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

ANNEXURE IV: CONSOLIDATED STATEMENT OF SHARE CAPITAL

Rs. in Millions

PARTICULARS	AS AT		AS AT MARCH 31,		
	31.12.2011	31.12.2010	2011	2010	2009
AUTHORISED					
100,000,000 Equity Shares of Rs. 10/- each (Previous Period 100,000,000 Equity Shares of Rs. 10/- each)	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00
ISSUED, SUBSCRIBED AND PAID UP					
69,850,009 Equity Shares of Rs. 10/- each (As at March 31, 2009 60,420,259 Equity Shares of Rs. 10/- each)	698.50	698.50	698.50	698.50	604.20

Notes:

1 Of the above 54,239,845 shares were issued as Bonus Shares by capitalising Share Premium, General Reserve & Profit & Loss Account

2 Of the above 47,965,209 (As at March 31, 2011 - 49,335,209, As at December 31, 2010, March 31, 2010 & March 31, 2009 - 48,495,209) shares are held by Godrej Industries Ltd, the Holding Company.

ANNEXURE V: CONSOLIDATED STATEMENT OF RESERVES AND SURPLUS

Rs. in Millions

PARTICULARS	AS AT		AS AT MARCH 31,		
	31.12.2011	31.12.2010	2011	2010	2009
Securities Premium	5,663.18	5,663.18	5,663.18	5,663.18	1,475.81
General Reserve	414.39	273.00	414.39	273.00	151.00
Employee Stock Grant Scheme Reserve	10.85	-	-	-	-
Surplus as per Profit and Loss Account	2,920.59	2,246.70	2,339.86	1,538.01	757.70
TOTAL	**9,009.01**	**8,182.88**	**8,417.43**	**7,474.19**	**2,384.51**

Note:

During the financial year 2009 - 10 the Company has utilised Securities Premium of Rs. 406.80 Millions for Initial Public Issue expenses.

ANNEXURE VI: CONSOLIDATED STATEMENT OF SECURED LOANS

Rs. in Millions

PARTICULARS	AS AT		AS AT MARCH 31,		
	31.12.2011	31.12.2010	2011	2010	2009
TERM LOANS					
State Bank of India	1,245.80	982.40	1,073.40	453.90	-
(Secured against Company's share of undivided interest in the project Godrej Genesis at Kolkata)					
HDFC LTD	6,740.00	-	-	-	-
(Secured against Company's share of undivided interest in the project Jet at Bandra Kurla Complex)					
State Bank of India	-	377.30	-	1,877.30	1,877.30
(Secured by charge of development rights of Company's project Godrej Waterside IT Park at Kolkata)					
	7,985.80	**1,359.70**	**1,073.40**	**2,331.20**	**1,877.30**
DEBENTURES					
1% (10% upto 31.12.2008) Secured Redeemable	215.60	215.60	215.60	215.60	215.60
Optionally Convertible Debentures of Rs. 10/-					
each					
	8,201.40	**1,575.30**	**1,289.00**	**2,546.80**	**2,092.90**
WORKING CAPITAL LOANS					
State Bank of India	3,196.62	2,605.48	4,188.90	1,284.68	1,966.93
(Secured by way of equitable mortgage of immovable property of the project undertaken by the Company's project at Juhu - Mumbai)					
(Hypothecated against current assets of company and Godrej Real Estate Pvt. Ltd.)					
	3,196.62	**2,605.48**	**4,188.90**	**1,284.68**	**1,966.93**
SHORT TERM LOAN FROM BANKS					
Central Bank of India	-	-	-	-	600.00
(Secured by way of equitable mortgage of its interest, in the immovable property of the project undertaken by the Company at Chandigarh)					
TOTAL	**11,398.02**	**4,180.78**	**5,477.90**	**3,831.48**	**4,659.83**
Of the Above,					
Repayable within a year	850.00	377.30	250.00	1,877.30	600.00
(Excluding Cash Credit)					

ANNEXURE - VII: CONSOLIDATED STATEMENT OF UNSECURED LOANS

Rs. in Millions

PARTICULARS	AS AT		AS AT MARCH 31,		
	31.12.2011	31.12.2010	2011	2010	2009
SHORT TERM LOANS					
IDBI Bank Limited	-	-	-	500.00	-
The ICICI Limited	-	1,000.00	-	-	-
Punjab & Sind Bank	1,000.00	500.00	500.00	500.00	100.00
Central Bank of India	2,500.00	2,000.00	2,000.00	1,400.00	1,500.00
Canara Bank	2,000.00	-	-	-	-
Kotak Mahindra Bank	500.00	-	-	-	-
	6,000.00	**3,500.00**	**2,500.00**	**2,400.00**	**1,600.00**
WORKING CAPITAL LOANS					
IDBI Bank Limited	39.90	200.13	630.69	115.39	283.59
	39.90	**200.13**	**630.69**	**115.39**	**283.59**
FIXED DEPOSITS	1,878.47	824.05	840.01	748.94	-
	1,878.47	**824.05**	**840.01**	**748.94**	**-**
FROM COMPANIES	667.00	-	-	-	20.00
	667.00	**-**	**-**	**-**	**20.00**
OTHERS	18.19	-	-	-	-
	18.19	**-**	**-**	**-**	**-**
TOTAL	**8,603.56**	**4,524.18**	**3,970.70**	**3,264.33**	**1,903.59**
Of the Above,					
Repayable within a year	7,103.60	3,531.17	2,530.23	2,440.19	1,903.59
(Excluding Cash Credit)					

ANNEXURE - VIIIA: CONSOLIDATED STATEMENT OF FIXED ASSETS

FIXED ASSETS
AS AT 31.12.2011

Rs. in Millions

ASSETS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at April 01, 2011	Additions	Deductions	As at December 31, 2011	Upto April 01, 2011	For the period 01.04.2011 to 31.12.2011	Deductions	Upto December 31, 2011	As at December 31, 2011	As at March 31, 2011
Tangible Assets										
Land	0.87	-	-	0.87	-	-	-	-	0.87	0.87
Building	17.03	-	-	17.03	0.85	0.61	-	1.46	15.57	16.18
Leasehold Improvements	49.09	2.37	-	51.46	29.56	5.80	-	35.36	16.10	19.53
Office Equipment	27.84	4.78	0.38	32.24	7.83	2.47	0.23	10.07	22.18	20.01
Site Equipments	-	0.24	-	0.24	-	0.01	-	0.01	0.23	-
Furniture & Fixtures	36.02	4.38	0.09	40.31	12.04	3.72	0.07	15.69	24.62	23.98
Computer	36.14	3.87	0.47	39.54	22.48	4.74	0.41	26.81	12.73	13.66
Motor Vehicle	29.68	1.95	-	31.63	8.14	4.33	-	12.47	19.16	21.54
Intangible Assets										
Goodwill	314.91	-	-	314.91	-	-	-	-	314.91	314.91
Licenses & Software	48.46	0.37	-	48.83	18.33	6.14	-	24.47	24.36	30.13

ASSETS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at April 01, 2011	Additions	Deductions	As at December 31, 2011	Upto April 01, 2011	For the period 01.04.2011 to 31.12.2011	Deductions	Upto December 31, 2011	As at December 31, 2011	As at March 31, 2011
Total	**560.04**	**17.97**	**0.94**	**577.07**	**99.23**	**27.82**	**0.71**	**126.34**	**450.73**	**460.81**
Capital Work-In-Progress									**34.46**	**13.81**
								Total	**485.19**	**474.62**

ANNEXURE - VIIIB: CONSOLIDATED STATEMENT OF FIXED ASSETS

FIXED ASSETS
AS AT 31.12.2010

Rs. in Millions

ASSETS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at April 01, 2010	Additions	Deductions	As at December 31, 2010	Upto April 01, 2010	For the period 01.04.2010 to 31.12.2010	Deductions	Upto December 31, 2010	As at December 31, 2010	As at March 31, 2010
Tangible Assets										
Land	0.58	-	-	0.58	-	-	-	-	0.58	0.58
Building	17.03	-	-	17.03	-	0.64	-	0.64	16.39	17.03
Leasehold Improvements	28.82	20.24	-	49.06	15.48	10.22	-	25.70	23.36	13.34
Office Equipment	19.58	5.81	0.24	25.15	5.33	1.84	0.13	7.03	18.12	14.25
Site Equipments	2.07	-	-	2.07	1.66	0.04	-	1.70	0.37	0.41
Furniture & Fixtures	20.82	9.43	0.42	29.83	8.77	2.25	0.29	10.73	19.10	12.05
Computer	27.29	7.57	1.42	33.44	18.02	3.79	1.19	20.62	12.82	9.27
Motor Vehicle	12.84	17.43	1.30	28.97	3.95	3.15	0.61	6.49	22.48	8.89
Intangible Assets										
Goodwill	162.57	-	-	162.57	-	-	-	-	162.57	162.57
Licenses &	47.99	-	-	47.99	10.26	6.06	-	16.33	31.66	37.73

ASSETS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at April 01, 2010	Additions	Deductions	As at December 31, 2010	Upto April 01, 2010	For the period 01.04.2010 to 31.12.2010	Deductions	Upto December 31, 2010	As at December 31, 2010	As at March 31, 2010
Software										
Total	**339.59**	**60.48**	**3.38**	**396.69**	**63.47**	**27.99**	**2.22**	**89.24**	**307.45**	**276.12**
Capital Work-In-Progress									**5.90**	**2.18**
								Total	**313.35**	**278.30**

ANNEXURE - VIIIC: CONSOLIDATED STATEMENT OF FIXED ASSETS

FIXED ASSETS
AS AT 31.03.2011

Rs. in Millions

ASSETS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at April 01, 2010	Additions	Deductions	As at March 31, 2011	Upto April 01, 2010	For the period 01.04.2010 to 31.03.2011	Deductions	Upto March 31, 2011	As at March 31, 2011	As at March 31, 2011
Tangible Assets										
Land	0.58	0.29	-	0.87	-	-	-	-	0.87	0.58
Building	17.03	-	-	17.03	-	0.85	-	0.85	16.18	17.03
Leasehold Improvements	28.82	20.27	-	49.09	15.48	14.08	-	29.56	19.53	13.34
Office Equipment	19.58	8.51	0.25	27.84	5.33	2.64	0.14	7.83	20.01	14.25
Site Equipments	2.07	-	2.07	-	1.66	0.06	1.72	-	-	0.41
Furniture & Fixtures	20.82	15.73	0.53	36.02	8.77	3.58	0.31	12.04	23.98	12.05
Computer	27.29	10.26	1.41	36.14	18.02	5.65	1.19	22.48	13.66	9.27
Motor Vehicle	12.84	18.14	1.30	29.68	3.95	4.80	0.61	8.14	21.54	8.89
Intagible Assets										
Goodwill	162.57	152.34	-	314.91	-	-	-	-	314.91	162.57
Licenses & Software	47.99	0.47	-	48.46	10.26	8.07	-	18.33	30.13	37.73
Total	**339.59**	**226.01**	**5.56**	**560.04**	**63.47**	**39.73**	**3.97**	**99.23**	**460.81**	**276.12**
Capital Work-In-Progress									**13.81**	**2.18**
								Total	**474.62**	**278.30**

ANNEXURE - VIIID: CONSOLIDATED STATEMENT OFFIXED ASSETS

FIXED ASSETS
AS AT 31.03.2010

Rs. in Millions

ASSETS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at April 01, 2009	Additions	Deductions	As at March 31, 2010	Upto April 01, 2009	For the year 01.04.09 to 31.03.10	Deductions	Upto March 31, 2010	As at March 31, 2010	As at March 31, 2009
Tangible Assets										
Land	0.58	-	-	0.58	-	-	-	-	0.58	0.58
Building	-	17.03	-	17.03	-	-	-	-	17.03	-
Leasehold Improvements	12.84	15.98	-	28.82	8.67	6.81	-	15.48	13.34	4.17
Office Equipment	11.24	8.80	0.46	19.58	3.49	1.93	0.09	5.33	14.25	7.75
Site Equipments	2.07	-	-	2.07	1.59	0.07	-	1.66	0.41	0.48
Furniture & Fixtures	14.19	6.85	0.22	20.82	6.67	2.23	0.13	8.77	12.05	7.52
Computer	22.65	5.06	0.42	27.29	13.50	4.65	0.13	18.02	9.27	9.15
Motor Vehicle	7.49	7.24	1.89	12.84	2.78	2.25	1.08	3.95	8.89	4.71
Intagible Assets										
Goodwill	318.76	-	156.19	162.57	-	-	-	-	162.57	318.76
Licenses & Software	8.56	39.43	-	47.99	2.21	8.05	-	10.26	37.73	6.35

ASSETS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at April 01, 2009	Additions	Deductions	As at March 31, 2010	Upto April 01, 2009	For the year 01.04.09 to 31.03.10	Deductions	Upto March 31, 2010	As at March 31, 2010	As at March 31, 2009
Total	**398.38**	**100.39**	**159.18**	**339.59**	**38.91**	**25.99**	**1.43**	**63.47**	**276.12**	**359.47**
Capital Work-In-Progress									**2.18**	**32.54**
								Total	**278.30**	**392.01**

ANNEXURE - VIIIE: CONSOLIDATED STATEMENT OF FIXED ASSETS

FIXED ASSETS
AS AT 31.03.2009

Rs. in Millions

ASSETS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at April 01, 2008	Additions	Deductions	As at March 31, 2009	Upto April 01, 2008	For the year 01.04.08 to 31.03.09	Deductions	Upto March 31, 2009	As at March 31, 2009	As at March 31, 2008
Tangible Assets										
Land	0.58	-	-	0.58	-	-	-	-	0.58	0.58
Leasehold Improvements	9.77	3.07	-	12.84	6.26	2.41	-	8.67	4.17	3.52
Office Equipment	7.58	3.87	0.21	11.24	2.51	1.08	0.10	3.49	7.75	5.07
Site Equipments	2.07	-	-	2.07	1.51	0.08	-	1.59	0.48	0.56
Furniture & Fixtures	11.32	3.07	0.20	14.19	4.84	1.96	0.13	6.67	7.52	6.48
Computer	16.07	6.58	-	22.65	9.34	4.16	-	13.50	9.15	6.73
Motor Vehicle	4.03	4.39	0.93	7.49	2.52	0.80	0.54	2.78	4.71	1.51
Intagible Assets										
Goodwill	340.84	-	22.08	318.76	-	-	-	-	318.76	340.84
Licenses & Software	6.27	2.29	-	8.56	1.22	0.99	-	2.21	6.35	5.04
Total	**398.53**	**23.27**	**23.42**	**398.38**	**28.20**	**11.48**	**0.77**	**38.91**	**359.47**	**370.33**
Capital Work-In-Progress									**32.54**	**2.14**
								Total	**392.01**	**373.47**

ANNEXURE - IX: CONSOLIDATED STATEMENT OF STOCKS

Rs. in Millions

PARTICULARS	AS AT		AS AT MARCH 31,		
	31.12.2011	31.12.2010	2011	2010	2009
Stock in Trade	3.65	4.82	3.65	4.82	3.63
Construction Work in Progress	19,218.25	9,536.74	10,150.84	7,246.10	4,755.01
TOTAL	**19,221.90**	**9,541.56**	**10,154.49**	**7,250.92**	**4,758.64**

ANNEXURE - X: CONSOLIDATED STATEMENT OF DEBTORS

Rs. in Millions

PARTICULARS	AS AT		AS AT MARCH 31,		
	31.12.2011	31.12.2010	2011	2010	2009
SUNDRY DEBTORS					
(Unsecured, considered good)					
Debts over six months	144.76	73.83	76.67	822.06	834.67
	144.76	**73.83**	**76.67**	**822.06**	**834.67**
Other debts	4,047.77	896.43	2,822.83	975.91	550.85
	4,047.77	**896.43**	**2,822.83**	**975.91**	**550.85**
TOTAL	**4,192.53**	**970.26**	**2,899.50**	**1,797.97**	**1,385.52**

ANNEXURE - XI: CONSOLIDATED STATEMENT OF LOANS AND ADVANCES

Rs. in Millions

PARTICULARS	AS AT		AS AT MARCH 31,		
	31.12.2011	31.12.2010	2011	2010	2009
LOANS AND ADVANCES					
(Unsecured, considered good)					
Advances recoverable in cash or in kind or for value to be received					
- Due from companies under the same management	0.02	0.02	0.02	0.02	0.02
- Due from Others	1,538.59	1,325.16	1,159.01	321.22	271.86
Secured (secured against Bank Guarantee)	119.21	93.15	184.65	113.27	182.22
Loans to GIL ESOP Trust	89.80	82.88	82.88	70.97	89.09
Loans to GPL ESOP Trust	403.65	370.42	368.92	375.12	282.84
Development Management Fees accrued but not due	44.46	60.23	44.46	60.23	60.23
Due on Management Projects	626.82	776.78	799.09	677.72	870.48
Deposits					
- Due from companies under the same management	4.93	3.43	4.33	3.22	1.63
- Due from Others	5,507.88	4,849.71	4,245.38	3,252.89	2,164.19
Interest Accrued	60.35	50.34	75.40	51.91	39.85
TOTAL	**8,395.71**	**7,612.12**	**6,964.14**	**4,926.57**	**3,962.41**

ANNEXURE - XII: CONSOLIDATED STATEMENT OF CASH AND BANK BALANCES

Rs. in Millions

PARTICULARS	**AS AT**		**AS AT MARCH 31,**		
	31.12.2011	**31.12.2010**	**2011**	**2010**	**2009**
Cash & Cheques in hand	2.05	0.47	29.00	6.58	66.53
Bank balances with scheduled banks in:-					
Current Accounts	453.68	315.74	149.81	336.57	62.78
Fixed Deposits	229.09	321.08	1,311.53	611.85	139.44
TOTAL	**684.82**	**637.29**	**1,490.34**	**955.00**	**268.75**

ANNEXURE XIII: CONSOLIDATED STATEMENT OF INVESTMENTS

	As at 31.12.2011 Nos	As at 30.12.2010 Nos	As at 31.03.2011 Nos	As at 31.03.2010 Nos	As at 31.03.2009 Nos	Particulars	FV	As at 31.12.2011 Rs. in Millions	As at 31.12.2010 Rs. in Millions	As at 31.03.2011 Rs. in Millions	As at 31.03.2010 Rs. in Millions	As at 31.03.2009 Rs. in Millions
						INVESTMENTS						
						At Cost						
						Long Term						
						Quoted Investments						
1	100	100	100	100	100	Alacrity Housing Limited	10	*	*	*	*	*
2					100	Alsa Construction & Housing Limited	10	-	-	-	-	*
						(Written off during the financial year 2009-10)						
3	100	100	100	100	100	Ansal Buildwell Limited	10	*	*	*	*	*
4	100	100	100	100	100	Ansal Housing & Construction Limited	10	*	*	*	*	*
5	600	600	600	600	600	Ansal Properties & Infrastructure Limited	5	*	*	*	*	*
6	100	100	100	100	100	Lok Housing & Construction Limited	10	*	*	*	*	*
7	100	100	100	100	100	Global Infrastructure & Technologies Limited	10	*	*	*	*	*
						Formerly Known as Mantri Housing & Construction Limited						
8	100	100	100	100	100	Premier Energy & Infrastructure Limited	10	*	*	*	*	*
						Formerly Known as Premier Hsg & Industrial Ent Limited						
9	100	100	100	100	100	D.S. Kulkarni	10	*	*	*	*	*

	As at 31.12.2011 Nos	As at 30.12.2010 Nos	As at 31.03.2011 Nos	As at 31.03.2010 Nos	As at 31.03.2009 Nos	Particulars	FV	As at 31.12.2011 Rs. in Millions	As at 31.12.2010	As at 31.03.2011	As at 31.03.2010	As at 31.03.2009
						Developers						
10	13000	13000	13000	13000	13000	Unitech Limited	2	0.01	0.01	0.01	0.01	0.01
11	72	72	72	72	72	The Great Eastern Shipping Company Limited	10	*	*	*	*	*
12	18	18	18	18	18	The Great Offshore Limited	10	*	*	*	*	*
13	1000	1000	1000	1000	100	Radhe Developers Limited	1	*	*	*	*	*
						(900 Shares are received on Split of Face Value Per Share from Rs. 10/- to Rs. 1/-)						
14	23700	23700	23700	23700	23700	United Textiles Limited	10	*	*	*	*	*
								0.02	**0.02**	**0.02**	**0.02**	**0.02**
						Less : Provision for Diminution in Value		0.01	0.01	0.01	0.01	0.01
						Total Quoted Investments		**0.02**	**0.02**	**0.02**	**0.02**	**0.02**
						Unquoted Investments						
15	1000	1000	1000	1000	1000	Saraswat Co-operative Bank Limited	10	0.01	0.01	0.01	0.01	0.01
16	25000	25000	25000	25000	25000	Amitabh Bachchan Corporation Limited	10	*	*	*	*	*
						Total Unquoted Investments		**0.01**	**0.01**	**0.01**	**0.01**	**0.01**

	As at 31.12.2011	As at 30.12.2010	As at 31.03.2011	As at 31.03.2010	As at 31.03.2009	Particulars	FV	As at 31.12.2011	As at 31.12.2010	As at 31.03.2011	As at 31.03.2010	As at 31.03.2009
	Nos	**Nos**	**Nos**	**Nos**	**Nos**			**Rs. in Millions**				
						Total Long Term Investments		**0.03**	**0.03**	**0.03**	**0.03**	**0.03**
						Current Investments						
						(In Debt Mutual Funds)						
17						2657289.02 Units						
						Kotak Floater - LT - Daily Dividend Reinvest		26.78		-	353.30	
	27,810,367			35,050,619		*Purchased during the year*						
	25,153,078	35,050,619	35,050,619			*Sold during the year*						
18						0 Units						
						JPMorgan India Treasury Fund - Super IP - Daily Dividend Reinvest		-	3.57	-	194.86	
		220,916		35,285,409		*Purchased during the year*						
		19,332,794	19,468,216	15,817,193		*Sold during the year*						
19						0 Units						
						Reliance Money Manager Fund - IP - Dly Dividend Reinvest		-		-	193.11	
				352,702		*Purchased during the year*						
		192,892	192,892	159,810		*Sold during the year*						
20						0 Units						
						ICICI Prudential Flexible Income Plan - Premium - Daily Dividend Reinvest		-		-	353.28	
				3,341,177		*Purchased during the year*						
		3,341,177	3,341,177			*Sold during the year*						
21						0 Units						
						LIC MF Savings Plus		-		-	353.52	

	As at 31.12.2011 Nos	As at 30.12.2010 Nos	As at 31.03.2011 Nos	As at 31.03.2010 Nos	As at 31.03.2009 Nos	Particulars	FV	As at 31.12.2011 Rs. in Millions	As at 31.12.2010 Rs. in Millions	As at 31.03.2011 Rs. in Millions	As at 31.03.2010 Rs. in Millions	As at 31.03.2009 Rs. in Millions
						Fund - Daily Dividend Reinvest						
				35,351,542		*Purchased during the year*						
		35,351,542	35,351,542			*Sold during the year*						
22						0 Units						
						HDFC Cash Mgmt Fund - Treasury Advantage - WP - Dly Div Reinvest		-		-	353.28	
				35,217,482		*Purchased during the year*						
		35,217,482	35,217,482			*Sold during the year*						
23						0 Units						
						IDFC Money Manager - Treasury Plan - Plan C - Dly Dividend Reinvest		-		-	252.34	
				25,230,374		*Purchased during the year*						
		25,230,374	25,230,374			*Sold during the year*						
24						0 Units						
						FORTIS Money Plus Fund - IP - Daily Dividend Reinvest		-		-	24.35	
				2,434,481		*Purchased during the year*						
		2,434,481	2,434,481			*Sold during the year*						
25						0 Units						
						HDFC Quaterly Interval Fund - Plan C - WP - Dividend		-	312.22	-		
		31,222,186				Purchased during the year						
						Sold during the year						
26						0 Units						
						JM Money Manager		-	512.32	-		

	As at 31.12.2011 Nos	As at 30.12.2010 Nos	As at 31.03.2011 Nos	As at 31.03.2010 Nos	As at 31.03.2009 Nos	Particulars	FV	As at 31.12.2011 Rs. in Millions	As at 31.12.2010 Rs. in Millions	As at 31.03.2011 Rs. in Millions	As at 31.03.2010 Rs. in Millions	As at 31.03.2009 Rs. in Millions
						Fund - Regular Plan - Dly Dividend						
		51,175,019				*Purchased during the year*						
						Sold during the year						
27						0 Units						
						ICICI Prudential Interval Fund II - Qtrly Interval Plan B-Dividend		-	366.84	-		
		36,684,310				*Purchased during the year*						
						Sold during the year						
28						0 Units						
						Reliance Qtrly Interval Fund-Series II-IP-Dvd		-	138.26	-		
		13,820,053				*Purchased during the year*						
						Sold during the year						
29						0 Units						
						LIC MF Liquid Fund-Daily Dividend		-	146.16	-		
		16,744,637				*Purchased during the year*						
		3,433,484				*Sold during the year*						
30						0 Units						
						BNP Paribas FTF-Series 19-Plan C-Dividend		-	95.00	-		
		9,500,000				*Purchased during the year*						
						Sold during the year						
31						0 Units						
						Kotak Floater Short Term-Daily Dividend		-	1.69	-		
		35,684,059				*Purchased during the year*						

	As at 31.12.2011	As at 30.12.2010	As at 31.03.2011	As at 31.03.2010	As at 31.03.2009	Particulars	FV	As at 31.12.2011	As at 31.12.2010	As at 31.03.2011	As at 31.03.2010	As at 31.03.2009
	Nos	Nos	Nos	Nos	Nos			Rs. in Millions				
		35,517,289				*Sold during the year*						
32						29,776.948 Units						
						ICICI Prudential Floating Rate Plan D - Daily Dividend Reinvest		2.98		141.38		
	24,435		3,530,023			*Purchased during the year*						
	1,408,128		2,116,553			*Sold during the year*						
						Total Current Investments		**29.76**	**1,576.06**	**141.38**	**2,078.04**	**-**
						Total Investments		**29.79**	**1,576.09**	**141.41**	**2,078.07**	**0.03**
						* Represents amount less than Rs. 5,000/-						
						1. Cost of Quoted Investments		0.02	0.02	0.02	0.02	0.02
						2. Market Value of Quoted Investments		0.37	1.08	0.67	1.14	0.61

ANNEXURE - XIV: CONSOLIDATED STATEMENT OF CURRENT LIABILITIES AND PROVISIONS

Rs. in Millions

PARTICULARS	AS AT		AS AT MARCH 31,		
	31.12.2011	31.12.2010	2011	2010	2009
CURRENT LIABILITIES					
Sundry Creditors	1,424.56	399.94	2,152.08	728.56	305.06
Advances received against Sale	342.13	757.87	111.80	226.14	5.71
Deposits	0.25	0.25	0.25	0.25	0.25
Unclaimed Fixed Deposit	0.80	0.17	0.51	0.18	0.76
Unclaimed Dividend	0.22	-	0.16	0.02	-
Other liabilities	1,058.44	1,339.78	407.54	502.77	618.42
Due to Management Projects	96.64	363.92	210.70	128.85	42.56
Interest accrued but not due on loans	38.42	36.22	36.53	34.59	32.65
	2,961.46	**2,898.15**	**2,919.57**	**1,621.36**	**1,005.41**
PROVISIONS					
Gratuity	14.12	9.74	12.34	7.63	6.45
Leave Encashment	17.34	14.98	15.60	12.00	5.90
Proposed Dividend	-	-	314.33	279.40	151.05
Tax on Dividend	-	-	50.99	46.41	25.67
Taxation (Net of advance tax & tax deducted at source)	88.64	80.94	107.30	24.57	8.90
	120.10	**105.66**	**500.56**	**370.01**	**197.97**
TOTAL	**3,081.56**	**3,003.81**	**3,420.13**	**1,991.37**	**1,203.38**

ANNEXURE - XV: CONSOLIDATED STATEMENT OF SALES AND OTHER INCOME

Rs. in Millions

PARTICULARS	FOR THE PERIOD		FOR THE YEAR ENDED MARCH 31,		
	01.04.2011 to 31.12.2011	01.04.2010 to 31.12.2010	2011	2010	2009
Sales	4,036.24	1,236.20	4,412.31	2,115.17	1,851.85
	4,036.24	**1,236.20**	**4,412.31**	**2,115.17**	**1,851.85**
Operating Income					
Income from Development Projects	146.14	-	8.27	227.23	188.35
Compensation Received	-	-	50.00	70.00	3.90
Project Management Fees	-	-	-	*	0.03
Other Income from Customers	15.98	0.72	44.44	14.56	8.49
Lease Rent	0.01	0.01	0.01	0.01	0.01
License Fees	0.01	0.01	0.01	0.01	0.01
	162.14	**0.74**	**102.73**	**311.81**	**200.79**
Other Income					
Dividend	9.34	67.77	87.12	24.42	0.01
Profit on disposal of Fixed Assets (Net)	-	-	-	0.01	-
Profit on sale of Long Term Investment	182.76	898.61	898.61	1,398.55	419.90
Miscellaneous Income	2.20	1.70	7.94	3.45	1.20
Interest Income	72.50	48.75	80.39	50.43	69.09
	266.80	**1,016.83**	**1,074.06**	**1,476.86**	**490.20**
TOTAL	**4,465.18**	**2,253.77**	**5,589.10**	**3,903.84**	**2,542.84**

* Represents amount less than Rs. 5,000/-

ANNEXURE - XVI: CONSOLIDATED STATEMENT OF COST OF SALES

Rs. in Millions

PARTICULARS	FOR THE PERIOD		FOR THE YEAR ENDED MARCH 31,		
	01.04.2011 to 31.12.2011	01.04.2010 to 31.12.2010	2011	2010	2009
Own Projects Cost					
Opening Stock	10,154.49	7,250.92	7,250.92	4,758.64	2,841.21
Add : Expenditure/ Transfers from Advances					
during the year					
Stock-In-Trade Acquired during the year	-	-	87.00	345.15	-
Development Rights	6,491.14	74.41	89.04	115.88	100.00
Land	92.96	-	-	-	-
Construction, Material & Labour	3,182.94	1,531.07	3,663.60	2,281.30	1,883.68
Architect Fees	95.04	143.56	195.07	95.78	96.07
Advertisement Expenses	177.20	101.39	176.80	78.99	23.74
Overheads	1,335.70	860.92	1,222.64	742.59	555.80
Interest	922.18	612.44	709.41	832.86	486.71
	12,297.17	3,323.80	6,143.56	4,492.55	3,145.99
Less : Transferred to Interest & Finance Charges	-	-	-	-	17.49
Less : Closing Stock	19,221.90	9,541.56	10,154.49	7,250.92	4,758.64
TOTAL	**3,229.76**	**1,033.16**	**3,239.99**	**2,000.27**	**1,211.07**

ANNEXURE - XVII: CONSOLIDATED STATEMENT OF EMPLOYEE REMUNERATION & BENEFITS

Rs. in Millions

PARTICULARS	FOR THE PERIOD		FOR THE YEAR ENDED MARCH 31,		
	01.04.2011 to 31.12.2011	01.04.2010 to 31.12.2010	2011	2010	2009
Salaries, Bonus, Gratuity & Allowances	34.45	15.93	61.50	98.66	31.00
Contribution to Provident and Other Funds	11.43	8.56	11.63	8.19	6.49
Other Employee Benefits	-	-	*	-	0.02
TOTAL	**45.88**	**24.49**	**73.13**	**106.85**	**37.51**

* Represents amount less than Rs. 5,000/-

ANNEXURE - XVIII: CONSOLIDATED STATEMENT OF ADMINISTRATION EXPENSES

Rs. in Millions

PARTICULARS	FOR THE PERIOD		FOR THE YEAR ENDED MARCH 31,		
	01.04.2011 to 31.12.2011	01.04.2010 to 31.12.2010	2011	2010	2009
Cost of Project Management	-	-	-	0.19	1.32
Consultancy Charges	1.52	0.23	11.53	7.09	7.86
Service Charges	0.06	0.09	0.12	0.14	0.10
Loss on Sale of Fixed Assets (Net)	-	0.07	0.42	-	0.04
Power & Fuel	3.48	0.48	2.29	4.45	3.52
Rent	19.87	13.26	22.69	28.09	10.97
Insurance	1.59	1.15	1.19	0.23	0.26
Rates & Taxes	0.03	0.16	0.28	0.12	0.02
Diminution in Value of Investments written off	-	-	-	*	-
Other Operating Expenses	106.75	70.15	112.68	101.18	75.76
TOTAL	**133.30**	**85.60**	**151.20**	**141.49**	**99.85**

* Represents amount less than Rs. 5,000/-

ANNEXURE - XIX: CONSOLIDATED STATEMENT OF INTEREST & FINANCE CHARGES (NET)

Rs. in Millions

PARTICULARS	FOR THE PERIOD		FOR THE YEAR ENDED MARCH 31,		
	01.04.2011 to 31.12.2011	01.04.2010 to 31.12.2010	2011	2010	2009
INTEREST AND FINANCE CHARGES (NET)					
Interest Paid					
- Banks & Financial Institutions	823.17	472.41	677.81	754.82	406.64
- Inter Corporate Deposits	30.47	6.82	6.74	8.23	1.57
- Projects and landlords	-	90.31	26.53	67.24	60.38
- Others	119.87	37.19	77.00	35.11	134.41
Total Interest Paid	**973.51**	**606.73**	**788.08**	**865.40**	**603.00**
Add : Brokerage & other Financial charges	65.75	33.92	15.27	26.32	37.71
Total Interest & Finance Charges Paid	**1,039.26**	**640.65**	**803.35**	**891.72**	**640.71**
Less: Capitalised to Project	995.87	631.09	769.35	886.18	547.14
NET INTEREST	**43.39**	**9.56**	**34.00**	**5.54**	**93.57**

ANNEXURE XX: CONSOLIDATED STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

1) Accounting Policies:

a) Principle of Consolidation

The Consolidated Financial Statements of the Group have been prepared in accordance with Accounting Standard (AS 21) "Consolidated Financial Statements", issued by the Institute of Chartered Accountants of India ('ICAI')

The Consolidated Financial Statements include the financial statements of the Company and all its Subsidiaries and Limited Liability Partnership, which are more than 50 percent owned or controlled and whose financial statement are drawn upto the same reporting date as of the Company i.e. December 31, 2011.

The Consolidated Financial Statements have been combined on a line-by-line basis by adding the book values of like items of assets, liabilities, income and expenses after eliminating intra-group balances/ transactions and resulting unrealized profits in full.

In the Consolidated Financial Statements, 'Goodwill' represents the excess of the cost to the Company of its investments in the subsidiaries over its share of equity, at the respective dates on which investments are made. Alternatively, where the share of equity as on the date of investments is in excess of cost of investments it is recognized as 'Capital Reserve' in the Consolidated Financial Statements. 'Minority Interest' represents the amount of equity attributable to minority shareholders at the date on which investment in a subsidiary is made and its share of movements in the equity since that date. Any excess consideration received from minority shareholders of subsidiaries over the amount of equity attributable to the minority on the date of investment is reflected under Reserves and Surplus.

b) General

The financial statements are prepared under the historical cost convention in accordance with Generally Accepted Accounting Principles in India, the Accounting Standards issued by The Institute of Chartered Accountants of India and the provisions of the Companies Act, 1956.

c) Fixed Assets

Fixed assets are stated at cost of acquisition or construction less accumulated depreciation. Cost includes all incidental expenses related to acquisition and installation, other pre-operation expenses and interest in case of construction.

Carrying amount of cash generating units / assets are reviewed at balance sheet date to determine whether there is any indication of impairment. If such indication exists, the recoverable amount is estimated as the net selling price or value in use, whichever is higher. Impairment loss, if any, is recognized whenever carrying amount exceeds the recoverable amount.

d) Depreciation / Amortization

Depreciation has been provided on Written Down Value basis, at the rates specified in Schedule XIV of the Companies Act, 1956.

Assets acquired on lease are depreciated over the period of the lease.

Leasehold improvements are amortized over a period of lease

Intangible Assets are amortized over a period of six years.

e) Investments

Investments are classified into long term and current investments.

Long-term investments are carried at cost. Provision for diminution, if any, in the value of each long-term investment is made to recognize a decline, other than of a temporary nature.

Current investments are carried individually at lower of cost and fair value and the resultant decline, if any, is charged to revenue.

f) Inventories

Inventories are valued as under:

a)	Completed Flats	-	At lower of Cost or Market value
b)	Construction Work- in-Progress	-	At Cost

Construction Work in Progress includes cost of land, premium for development rights, construction costs, allocated interest and expenses incidental to the projects undertaken by the Company.

g) Revenue Recognition

The Company is following the "Percentage of Completion Method" of accounting. As per this method, revenue from sale of properties is recognized in Profit & Loss Account in proportion to the actual cost incurred as against the total estimated cost of projects under execution with the Company on transfer of significant risk and rewards to the buyer. If the actual project cost incurred is less than 20% of the total estimated project cost, no income is recognized in respect of that project in the relevant period. Determination of revenues under the percentage of completion method necessarily involves making estimates, some of which are of a technical nature, concerning, where relevant, the percentages of completion, costs to completion, the expected revenues from the project or activity and the foreseeable losses to completion. Estimates of project income, as well as project costs, are reviewed periodically. The effect of changes, if any, to estimates is recognized in the financial statements for the period in which such changes are determined. Losses, if any, are fully provided for immediately.

Revenue on bulk deals on sale of its properties is recognized on execution of documents.

Income from operation of commercial complexes is recognized over the tenure of the lease / service agreement.

Interest income is accounted on an accrual basis at contracted rates.

Dividend income is recognized when the right to receive the same is established.

h) Development Manager Fees

The company has been entering into Development & Project Management agreements with landlords. Accounting for income from such projects is done on accrual basis on percentage of completion or as per the terms of the agreement.

i) Employee Benefits

a) Short-term employee benefits:

All employee benefits payable wholly within twelve months of rendering the service are classified as short term employee benefits. Benefits such as salaries, wages, performance incentives etc. are recognised at actual amounts due in the period in which the employee renders the related service.

b) Post-employment benefits:

(i) **Defined Contribution Plans:**

Payments made to defined contribution plans such as Provident Fund are charged as an expense as they fall due.

(ii) **Defined Benefit Plans:**

The cost of providing benefits i.e. gratuity is determined using the Projected Unit Credit Method, with actuarial valuations carried out at the balance sheet date. Actuarial gains and losses are recognised immediately in the Profit & Loss Account.

The fair value of the plan assets is reduced from the gross obligation under the defined benefit plan, to recognize the obligation on net basis.

Past service cost is recognised as expense on a straight-line basis over the average period until the benefits become vested.

(iii) **Other long-term employee benefits**:

Other long-term employee benefits viz., leave encashment is recognised as an expense in the profit and loss account as and when they accrue. The Company determines the liability using the Projected Unit Credit Method, with actuarial valuations carried out as at the balance sheet date. Actuarial gains and losses in respect such benefits are charged to the profit and loss account.

j) Borrowing Cost

Interest and finance charges incurred in connection with borrowing of funds, which are incurred for the development of long term projects, are transferred to Construction Work in Progress / Due on Management Project, as a part of the cost of the projects at weighted average of the borrowing cost / rates as per Agreements respectively.

Other borrowing costs are recognized as an expense in the period in which they are incurred.

k) Earnings Per Share

The basic earnings per share is computed using the weighted average number of common shares outstanding during the period. Diluted earnings per share is computed using the weighted average number of common and dilutive common equivalent shares outstanding during the period, except where the results would be anti-dilutive.

l) Provision For Taxation

Tax expense comprises both current and deferred tax.

Current tax is measured at the amount expected to be paid to the tax authorities, using the applicable tax rates and tax laws.

Deferred tax is recognized on timing differences, being the differences between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax assets, subject to consideration of prudence, are recognized and carried forward only to the extent that there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. The tax effect is calculated on the accumulated timing difference at the year-end based on the tax rates and laws enacted or substantially enacted on the balance sheet date.

m) Foreign Currency Transactions

Transactions in foreign currency are recorded at the exchange rates prevailing on the date of the transaction. Assets and liabilities related to foreign currency transactions, remaining unsettled at the year end, are translated at the year end exchange rates. Forward exchange contracts, remaining unsettled at the year end, backed by underlying assets or liabilities are also translated at year end exchange rates.The premium payable on foreign exchange contracts is amortised over the period of the contract.

n) Allocation of Expenses

Corporate Employee Remuneration and Administration expenses are allocated to various projects on a reasonable basis as estimated by the management.

o) Provisions and Contingent Liabilities

Provisions are recognized in the accounts in respect of present probable obligations, the amount of which can be reliably estimated.

Contingent liabilities are disclosed in respect of possible obligations that arise from past events but their existence is confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company.

ANNEXURE XXI: NOTES TO THE CONSOLIDATED SUMMARY STATEMENTS OF ASSETS AND LIABILITIES AND PROFITS AND LOSS

1) **Information on Subsidiaries & Limited Liability Partnership:**

The Subsidiary companies & Limited Liability Partnership considered in the consolidated financial statements are (collectively referred as "the Group"):

a) Information on Subsidiaries:

Sr. No.	Name of the Company	Country of Incorporation	Percentage of Holding				
			As on December 31, 2011	As on December 31, 2010	As on March 31, 2011	As on March 31, 2010	As on March 31, 2009
1.	Godrej Realty Private Limited	India	51%	51%	51%	51%	51%
2.	Godrej Waterside Properties Private Limited	India	51%	51%	51%	51%	51%
3.	Godrej Real Estate Private Limited	India	100%	100%	100%	100%	100%
4.	Godrej Developers Private Limited	India	51%	51%	51%	51%	51%
5.	Godrej Sea View Properties Private Limited	India	50.10%	50.10%	50.10%	77.73%	100%
6.	Happy Highrises Limited	India	51%	51%	51%	51%	100%
7.	Godrej Estate Developers Private Limited	India	51%	51%	51%	51%	100%
8.	Godrej Buildwell Private Limited (Subsidiary due to control over composition of Board of Directors)	India	49%	49%	49%	N/A	N/A
9.	Godrej Buildcon Private Limited	India	100%	100%	100%	N/A	N/A
10.	Godrej Projects Development Private Limited	India	100%	100%	100%	N/A	N/A
11.	Godrej Premium Builders Private Limited	India	51%	N/A	100%	N/A	N/A
12.	Godrej Garden City Properties Private Limited	India	100%	N/A	100%	N/A	N/A
13.	Godrej Nandhi Hiills Project Private Limited (Formely known as Udhay - GK Realty Private Limited (Subsidiary w.e.f. 7th March 2011)	India	100%	N/A	100%	N/A	N/A

b) Information on Limited Liability Partnership

Sr. No.	Name of the Limited Liability Partnership	Country of Incorporation	Profit Sharing				
			As on December 31, 2011	As on December 31, 2010	As on March 31, 2011	As on March 31, 2010	As on March 31, 2009
1	Godrej Buildcorp LLP	India	35%	N/A	N/A	N/A	N/A

Sr. No.	Name of the Limited Liability Partnership	Country of Incorporation	Profit Sharing				
			As on December 31, 2011	As on December 31, 2010	As on March 31, 2011	As on March 31, 2010	As on March 31, 2009
2	Godrej Property Developers LLP	India	32%	N/A	N/A	N/A	N/A
3	Godrej Vikhroli Properties LLP	India	60%	N/A	N/A	N/A	N/A
4	Mosiac Landmarks LLP	India	51%	N/A	N/A	N/A	N/A

2) The Initial Public Offer (IPO) proceeds have been utilized as per objects of the issue as stated in the prospectus as under:

Rupees in Million

Particulars	As on December 31, 2011	As on December 31, 2010	As on March 31, 2011	As on March 31, 2010
Amount Received from IPO	4,688.47	4,688.47	4,688.47	4,688.47
Utilization of Funds upto the reporting date :				
- Funding to part finance the acquisition of land developments rights and construction costs	2,179.11*	1,035.84	1,393.04	250.00
- Repayment of Loans	2,011.70*	1,501.70	1,501.70	1,501.70
- Issue Expenses	405.35	403.35	405.35	380.87
Balance unutilized amount temporarily invested in:				
Mutual Funds	28.93	1,497.58	138.38	2,055.90
Fixed Deposit / Bank Balance	63.38	250.00	1,250.00	500.00
TOTAL	4,688.47	4,688.47	4,688.47	4,688.47

As on reporting date, unutilized funds have been temporarily invested in mutual funds schemes and fixed deposit with banks as mentioned in the prospectus of the Company.

* Revised amount proposed to be utilized as approved by shareholders in the AGM held on July 22, 2011

3) **Contingent Liabilities:**

Rupees in Million

Matters	As on December 31, 2011	As on December 31, 2010	As on March 31, 2011	As on March 31, 2010	As on March 31, 2009
a) Uncalled amount of Rs. 80/- & Rs. 30/- on 70 & 75 partly paid shares respectively of Tahir Properties Limited	0.01	0.01	0.01	0.01	0.01
b) Claims against the Company not acknowledged as debts represents cases filed by parties in the Consumer forum, Civil Court and High Court and disputed by the Company as advised by our advocates. In the opinion of	30.64	6.80	30.64	0.80	6.52

Matters	As on December 31, 2011	As on December 31, 2010	As on March 31, 2011	As on March 31, 2010	As on March 31, 2009
the management the claims are not sustainable.					
c) Claims against the Company under the Labour Laws for disputed cases	1.99	1.99	1.99	1.99	2.99
d) Letter of credit opened by Bank on behalf of the Company	51.36	-	63.17	-	-
e) Guarantees given by Bank, counter guaranteed by the Company	258.18	102.62	126.84	38.60	20.10
f) Claims against the Company under Bombay Stamp Act, 1958	14.85	14.85	14.85	14.85	14.85
g) Other Claims against the Company not acknowledged as debts	3.93	3.93	3.93	9.93	-
h) Claims against the Company under Income Tax Act, Appeal preferred to Commissioner of Income Tax (Appeals)	140.54	1.91	10.28	3.37	101.80
i) Claims against the Company under Sales Tax Act, Appeal preferred to The Joint Commissioner of Commercial Taxes (Appeals)	12.13	-	-	-	-

Capital Commitment outstanding (net of advances) for the nine months ended December 31, 2011 is amounting to Rs. 6.09 Million, December 31, 2010 Rs. 0.93, March 31, 2011 Rs. 7.16 Million, March 31, 2010 Rs. 2.32 Million and March 31, 2009 Rs. 6.23 Million.

4) **a) Outstanding Secured Debentures to HDFC Venture Trustee Company Limited :**

Sr. No.	Particulars	Issuer	Deemed Date of Allotment	Units	Rupees in Million
1.	1% secured redeemable optionally convertible debentures *	Godrej Realty Private limited	March 16, 2006 March 12, 2007	5,635,000 1,715,000	56.35 17.15
	Total			**7,350,000**	**73.50**
2.	1% secured redeemable optionally convertible debentures *	Godrej Waterside Properties Private limited	July 4, 2007	14,210,000	142.10

* The subsidiary companies ("the Issuer company") had issued debentures to HDFC Venture Trustee Company Limited, which are redeemable at the end of the 7 years from the deemed date of allotment and are secured to the extent of specific immovable assets of the Group disclosed under the head "Fixed Assets".

Further the Issuer companies has created a Debenture Redemption Reserve as required under section 117 (C) of the Companies Act, 1956 to the extent of Profit available for distribution.

b) Outstanding Unsecured Debentures to Madhavi Ventures Limited:

Sr. No.	Particulars	Issuer	Date of Allotment	Units	Rupees in Million
1.	12% Compulsorily Convertible Debenture	Godrej Premium Builders Private	December 29, 2011	267,000	267.00

Sr. No.	Particulars	Issuer	Date of Allotment	Units	Rupees in Million
		Limited			

The subsidiary company ("the Issuer company") had issued debentures to Madhavi Ventures Limited, which are compulsory convertible at the end of the 10 years.

5) **Inventories:**

a) Stock - in - Trade includes shares in the following Companies - at cost or market value (whichever is lower):

Rupees in Million

Particulars	As on December 31, 2011	As on December 31, 2010	As on March 31, 2011	As on March 31, 2010	As on March 31, 2009
Tahir Properties Limited					
a) 70 Equity shares of Rs. 100/- each, Rs. 20/- paid up	*	*	*	*	*
b) 75 Redeemable Preference Class A shares of Rs.100/- each, Rs.70/- paid	0.01	0.01	0.01	0.01	0.01

* Represents amount less than Rs 5,000/-

b) Construction Work in Progress and Due on Management projects represents materials at site and unbilled cost on the projects based on projections and estimates by the Group of the expected revenues and costs to completion. In the opinion of the management, the net realizable value of the construction work in progress will not be lower than the costs so included.

6) **Cash & Bank Balances:**

Rupees in Million

Particulars	As on December 31, 2011	As on December 31, 2010	As on March 31, 2011	As on March 31, 2010	As on March 31, 2009
Balances with scheduled banks on deposit accounts include amounts received from flat buyers and held in trust on their behalf in a corpus fund.	26.91	34.42	26.91	34.42	34.01

7) **Loans and Advances:**

a) Due on Management Projects

Rupees in Million

Particulars	As on December 31, 2011	As on December 31, 2010	As on March 31, 2011	As on March 31, 2010	As on March 31, 2009
Due on Management Projects include a sum on account of a project, where the matter is sub-judice with arbitrators.	21.57	21.56	21.57	21.56	21.48

b) The Group has been entering into Development Agreements with landlords.

Rupees in Million

Particulars	As on December 31, 2011	As on December 31, 2010	As on March 31, 2011	As on March 31, 2010	As on March 31, 2009

Particulars	As on December 31, 2011	As on December 31, 2010	As on March 31, 2011	As on March 31, 2010	As on March 31, 2009
The company has been entering into Development Agreements with landlords. Development Manager Fees accrued as per terms of the Agreement are receivable by the Company based upon progress milestones specified in the respective Agreements and have been disclosed as Development Manager Fees accrued but not due in Annexure	44.46	60.23	44.46	60.23	60.23

8) **Leases:**

a) The Group's significant leasing arrangements are in respect of operating leases for Residential premises. Lease income from operating leases is recognized on a straight-line basis over the period of lease. The particulars of the premises given under operating leases are as under:

Rupees in Million

Particulars	As on December 31, 2011	As on December 31, 2010	As on March 31, 2011	As on March 31, 2010	As on March 31, 2009
Future minimum lease receipts under non-cancelable operating leases					
➢ Not later than 1 year	0.03	0.03	0.03	0.03	0.03
➢ Later than 1 year and not later than 5 years	0.11	0.11	0.11	0.11	0.11

b) The Group's significant leasing arrangements are in respect of operating leases for Commercial / Residential premises. Lease expenditure for operating leases is recognized on a straight-line basis over the period of lease. The particulars of the premises taken on operating leases are as under:

Rupees in Million

Particulars	As on December 31, 2011	As on December 31, 2010	As on March 31, 2011	As on March 31, 2010	As on March 31, 2009
Future minimum lease payments under non-cancelable operating leases					
➢ Not later than 1 year	48.05	44.02	35.69	32.65	24.58
➢ Later than 1 year and not later than 5 years	82.88	77.07	64.29	46.96	35.86
➢ Later than 5 years	1.70	3.81	3.21	8.08	7.06

9) **Employee Stock Option Plan :**

a) During the financial year ended 31st March, 2008, the Company instituted an employee Stock Option Plan (GPL ESOP) approved by the Board of Directors, shareholders and the Remuneration Committee, which provided allotment of 442,700 options convertible into 442,700 Equity Shares of Rs. 10/- each to eligible employees of Godrej Properties Limited and its Subsidiary Companies (the Participating Companies) with effect from 28th December, 2007.

The Scheme is administered by an Independent ESOP Trust which has purchased shares from Godrej Industries Limited (The holding Company), equivalent to the number of options granted to the eligible employees of the Participating Companies.

Particulars	**No. of Options**		**Weighted Average Exercise Price (Rs.)**
	As on December 31, 2011	As on December 31, 2010	
Options Outstanding at the beginning of the year	372,700	403,700	620.00 (plus interest)
Options granted	-	-	-
Options exercised	-	-	-
Less : Forfeited / Expired / Lapsed / Idle / Available for reissue	35,000	31,000	-
Options Outstanding at the year end	337,700	372,700	620.00 (plus interest)

The Option granted shall vest after five years from the date of grant of option, provided the employee continues to be in employment and the option is exercisable within three years after vesting.

However in the event that during the 4th and 5th year of the vesting period that is in the year 2011 and 2012, the average of the closing market prices of the shares of the Company on the Bombay Stock Exchange Limited and The National Stock Exchange of India Limited on each day exceeds the exercise price by not less than Rs.50 for a consecutive period of 30 days, the option shall be deemed to have vested on the day immediately following the 30th day, as determined by the Remuneration Committee.

The employee share based payment plans have been accounted based on the intrinsic value method and no compensation expense has been recognized since, the price of the underlying equity shares on the grant date is same /less than exercise price of the option, the intrinsic value of option, therefore being determined as nil.

The Company has provided loan of Rs. 403.65 millions (As on December 31, 2010 Rs. 370.42 millions) to GPL ESOP, which is administered by an independent ESOP Trust which has purchased shares of GPL from Godrej Industries Limited equivalent to the number of stock options granted from time to time to eligible employees. The repayment of the loans granted by the Company to ESOP Trust is dependent on the exercise of the options by the employees and the market price of the underlying shares of the unexercised options at the end of the exercise period. The fall in value of the underlying equity shares is on account of market volatility and the loss, if any, can be determined only at the end of the exercise period. In view of the aforesaid, provision for diminution of Rs. 132.78 millions (As on December 31, 2010 Rs. 94.43 millions) is not considered necessary in the financial statements.

b) The Company has provided loan of Rs. 89.80 millions (As on December 31, 2010 Rs. 82.88 millions) to Godrej Industries Limited Employee Stock Option Scheme (GIL ESOP), which is administered by an independent ESOP Trust which purchases shares of GIL from the market equivalent to the number of stock options granted from time to time to eligible employees. The repayment of the loans granted by the Company to ESOP trust is dependent on the exercise of the options by the employees and the market price of the underlying shares of the unexercised options at the end of the exercise period. The fall in value of the underlying equity shares is on account of market volatility and the loss, if any, can be determined only at the end of the exercise period. In view of the aforesaid, provision for diminution of Rs. 34.26 millions (As on December 31, 2010 Rs. 19.22 millions) is not considered necessary in the financial statements.

10) **Employee Stock Grant Scheme**

During the period April to December 31, 2011, the Company instituted an employee Stock Grant Scheme (GPL ESGS) approved by the Board of Directors, shareholders and the Remuneration Committee, which provided allotment of 41,203 options convertible into 41,203 Equity Shares of Rs. 10/- each to eligible employees of Godrej Properties Limited with effect from 7th May, 2011.

Particulars	**No. of Options**		**Exercise Price (Rs.)**
	As on December 31, 2011	As on December 31, 2010	
Options granted	41,203	-	10.00
Options vested	NIL		
Options exercised	NIL	-	-
Less : Forfeited / Expired / Lapsed / Idle / Available for reissue	2,687	-	-
Options Outstanding at the year end	38,516	-	10.00

1/3 of the Stock Option granted shall vest at the end of one year from the date of grant of option, 1/3 of the Stock Option granted shall vest at the end of second year from the date of Grant, 1/3 of the Stock Option granted shall vest at the end of third year from the date of Grant provided the employee continues to be in employment and the option is exercisable within thirty days after vesting.

Diluted Earnings per Share (EPS) pursuant to issue of shares on exercise of option is 8.32 per share as on December 31, 2011.

Employee compensation cost using the intrinsic value method is recognized by the company in Profit & Loss accounts as on December 31, 2011 is Rs. 10.85 millions

11) **Earnings Per Share:**

Particulars	**For the period 01.04.2011 to 31.12.2011**	**For the period 01.04.2010 to 31.12.2010**	**FY 2010-11**	**FY 2009-10**	**FY 2008-09**
Profit after tax (Including prior years tax adjustments, Prior Period Income and excluding Minority Interest as per Profit & Loss Account) (Rs. in Millions)	581.25	708.69	1,308.56	1,228.12	746.81
Weighted average no. of equity shares outstanding (Numbers)	69,850,009	69,850,009	69,850,009	62,977,917	60,420,259
Weighted average no. of common & dilutive common equity shares outstanding (Numbers)	69,861,948	69,850,009	69,850,009	62,977,917	60,420,259
Basic earnings per share (Rs.)	**8.32**	**10.15**	**18.73**	**19.50**	**12.36**
Diluted earnings per share (Rs.)	**8.32**	**10.15**	**18.73**	**19.50**	**12.36**
Nominal value of shares	Rs.10 /-	Rs.10 /-	Rs.10 /-	Rs.10 /-	Rs 10/-

12) **Dues To Micro, Small And Medium Industries:**

Disclosure of sundry creditors under current liabilities is based on the information available with the Company regarding the status of the suppliers as defined under the "Micro, Small & Medium Enterprises Development Act 2006". There is no amount overdue as on 31st December, 2011 to Micro, Small & Medium Enterprises on account of principal amount together with interest and also during the previous year.

13) **Deferred Tax:**

The tax effect of significant temporary differences that resulted in deferred tax assets are:

Rupees in Million

Particulars	As on December 31, 2011	As on December 31, 2010	As on March 31, 2011	As on March 31, 2010	As on March 31, 2009
Depreciation on Fixed Assets	1.80	(1.45)	(0.66)	(3.58)	0.66
Others	10.20	7.66	9.06	6.31	4.20
Deferred Tax Asset	**12.00**	**6.21**	**8.40**	**2.73**	**4.86**

14) **Segment Information :**

As the Group has only one business segment, disclosure under Accounting Standard 17 on "Segment Reporting" issued by the Institute of Chartered Accountants of India is not applicable.

15) **Related Party Disclosures:**

1. **Related party disclosures as required by AS – 18, " Related Party Disclosures", are given below**:

	Relationships:
(i)	**Shareholders (Holding Company)**
	Godrej Industries Limited (GIL) holds 68.67% shares in the Company. GIL is the subsidiary of Godrej & Boyce Mfg. Co. Limited, the Ultimate Holding Company.
(ii)	**Other Related Parties in Godrej Group, where common control exists :**
	Vora Soaps Limited Bahar Agrochem & Feeds P. Limited Ensemble Holdings & Finance Limited Cartini India Limited (Formerly known as Godrej Appliances Limited) Godrej Agrovet Limited Godrej Consumer Products Limited Godrej Hygiene Product Limited (Formerly known as Godrej SCA Hygiene Limited) Godrej Infotech Limited Godrej Hershey Limited Natures Basket Limited
(iii)	**Joint Ventures and Associates:**
	HDFC Venture Trustee Company Limited

	Red Fort India Real Estate Babur Milestone Real Estate Fund HDFC PMS India Realty Excellence Fund Madhavi Ventures Limited Madhavi SA Investments LLC Ramesh P. Bhatia Repton Landmark LLP
(iv)	**Key Management Personnel :**
	Mr. Milind Surendra Korde Mr. Pirojsha Godrej Mr. K.T. Jithendran
(v)	**Individuals exercising Significant Influence :**
	Mr. A. B. Godrej Mr. N.B. Godrej

2. Transactions undertaken/ balances outstanding with related parties:

Rs. in Millions

	PARTICULARS	**FOR THE PERIOD**		**FOR THE YEAR ENDED MARCH 31,**		
		01.04.2011 to 31.12.2011	**01.04.2010 to 31.12.2010**	**2011**	**2010**	**2009**
(i)	**Holding Company**					
	Transactions during the year					
	Purchase of Fixed Assets	4.28	3.26	4.31	17.93	3.53
	Advances given	-	1.71	4.14	14.01	14.26
	Advances received against sale	-	18.07	18.07	86.28	135.48
	Deposits given	1.40	0.85	1.75	1.60	0.63
	Deposits repaid	0.80	0.65	0.65	-	0.35
	Inter Corporate Deposits taken	-	-	-	55.00	-
	Inter Corporate Deposits repaid	-	-	-	55.00	-
	Interest Expense on Inter-Corporate Deposits taken	-	-	-	3.57	-
	Construction and other expenses incurred on behalf of others	34.53	1.12	5.64	2.29	1.11
	Expenses charged by other companies	168.02	71.82	142.02	157.53	134.66
	Dividend Paid	225.11	196.74	196.74	122.96	196.19
	Outstanding receivables, net of payables	23.89	0.62	(8.27)	(26.60)	(8.98)
	Deposit Receivable	4.93	3.43	4.33	3.23	1.63

	PARTICULARS	FOR THE PERIOD		FOR THE YEAR ENDED MARCH 31,		
		01.04.2011 to	01.04.2010 to	2011	2010	2009
		31.12.2011	31.12.2010			
(ii)	**Entities under the same management**					
	Transactions during the year					
	Expenses charged by other companies	2.68	0.52	0.75	0.01	0.35
	Construction and other expenses incurred on behalf of others	-	-	7.43	0.23	-
	Inter Corporate Deposits taken	-	-	-	10.00	350.00
	Inter Corporate Deposits repaid	-	-	-	10.00	350.00
	Interest expense on Inter-Corporate Deposits taken	-		-	0.04	0.96
	Dividend Paid	8.63	7.87	7.87	4.92	8.11
(iii)	**Joint Ventures and Associates**					
	Transactions during the year					
	Issue of Equity Share Capital	1.00	0.02	0.02	-	215.01
	Sale of Equity Shares	183.00	900.00	900.00	1,561.00	205.22
	Issue of Debentures	267.00	-	-	-	-
	Loans & Advances taken	18.10	-	-	-	-
	Expenses charged by other companies	0.09	-	-	-	-
	Interest on Debentures	1.88	1.62	2.16	2.16	16.78
	Outstanding receivables, net of(payables)	(56.61)	(36.22)	(36.53)	(34.59)	(32.65)
	Debentures Outstanding	482.60	215.60	215.60	215.60	215.60
(iv)	**Key management personnel**					
	Transactions during the year					
	Remuneration	47.54	50.36	57.00	33.75	23.70
	Re-imbursement of Travel expenses	-	-	-	0.24	0.22
	Dividend paid	2.40	2.35	2.35	1.47	2.48

16) **Employee Benefits:**

a. Defined Contribution Plans:

Contribution to Defined Contribution Plan, recognised as expense are as under:

Rupees in Million

Particulars	For the period 01.04.2011 to 31.12.2011	For the period 01.04.2010 to 31.12.2010	FY 2010-11	FY 2009-10	FY 2008-09
Employers' Contribution to Provident Fund	10.12	8.51	11.56	8.14	6.44
Employers' Contribution to ESIC	0.07	0.04	0.07	0.04	0.04

b. Defined Benefit Plans:

(i) **Contribution to Gratuity Fund**

Gratuity is payable to all eligible employees on death or on separation/termination in terms of the provisions of the Payment of Gratuity Act or as per the Group's policy whichever is beneficial to the employees.

The following table sets out the funded status of the gratuity plan and the amounts recognised in the Group's financial statements as at:

Rupees in Million

Particulars	As on December 31, 2011	As on December 31, 2010	As on March 31, 2011	As on March 31, 2010	As on March 31, 2009
Change in present value of obligation					
Present value of obligation as at beginning of the year	12.34	7.63	7.63	6.45	4.21
Interest Cost	0.76	0.45	0.61	0.50	0.34
Service Cost	1.70	2.99	2.82	1.23	0.73
Benefits Paid	(1.22)	(0.74)	(0.74)	(1.22)	(0.39)
Effect of Liability Transfer in	-	-	-	0.24	0.84
Actuarial (gain)/loss on obligation	0.54	(0.59)	2.02	0.43	0.72
Present value of obligation, as at end of the year	**14.12**	**9.74**	**12.34**	**7.63**	**6.45**
Amount recognized in the Balance Sheet					
Present value of obligation, as at end of the year	0.54	(0.59)	(2.02)	(0.43)	(0.72)
Fair value of plan assets as at end of the year	-	-	-	-	-
Net obligation as at end of the year	**0.54**	**(0.59)**	**(2.02)**	**(0.43)**	**(0.72)**
Net gratuity cost for the year ended					
Current Service Cost	1.70	0.99	1.34	1.23	0.73
Interest Cost	0.76	0.45	0.61	0.50	0.34
Expected return on plan assets	-	-	-	-	-
Past Service Cost (Vested Benefit)	-	2.00	1.47	-	-
Net Actuarial (gain)/loss to be recognized	0.54	(0.59)	2.03	0.43	0.72
Net gratuity cost	**3.00**	**2.85**	**5.45**	**2.16**	**1.79**
Assumptions used in accounting for the gratuity plan					
	(In %)	(In %)	(In %)	(In %)	(In %)
Discount Rate	8.75	8.25	8.00	7.75	7.75
Salary escalation rate	5.00	5.00	5.00	4.75	4.75

The estimates of future salary increases, considered in actuarial valuation, take into account inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market

17) **Information in respect of Joint Ventures:**

Jointly Controlled Operations - Development of the following Residential / Commercial Projects:

Coliseum, Mumbai	-	Profit Sharing
Woodsman Estate, Bangalore	-	Area Sharing
Gold County, Bangalore	-	Revenue Sharing
Planet Godrej, Mumbai	-	Profit Sharing
Edenwoods, Mumbai	-	Revenue / Profit Sharing
Shivajinagar, Pune	-	Profit Sharing
Bhugaon, Pune	-	Profit Sharing
Alpine, Manglore	-	Area Sharing / Revenue Sharing
Sanjay Khan, Bangalore	-	Revenue Sharing
Grenville Park, Mumbai	-	Profit Sharing
Godrej Garden City, Ahmedabad	-	Area Sharing
Godrej Crest ,Bangalore	-	Area Sharing / Revenue Sharing
Kochi	-	Revenue Sharing
Umbarde Kalyan	-	Revenue Sharing
Godrej Frontier, Gurgaon	-	Area Sharing / Revenue Sharing
Godrej Serenity, Mumbai	-	Revenue Sharing
Waterside IT Park	-	Area Sharing
Godrej Prakriti	-	Revenue Sharing
Godrej Simoco	-	Revenue Sharing
Godrej Genesis, Kolkata	-	Area Sharing
Godrej Eternia, Chandigarh	-	Revenue Sharing
Godrej Palmgrove, Chennai	-	Revenue Sharing
Nandi Hills, Bangalore	-	Revenue Sharing
Godrej Anandam , Nagpur	-	Profit Sharing
Godrej Platinum , Mumbai	-	Revenue Sharing
Godrej Palm Springs, Mumbai	-	Area Sharing
GPL Jet Airways, BKC	-	Profit Sharing
Godrej Electronic City, Bangalore	-	Revenue Sharing
Godrej Summit, Gurgaon	-	Area Sharing
Godrej Horizon, Undri	-	Profit Sharing
Lawkim , Thane	-	Profit Sharing
Moosapet, Hyderabad	-	Profit Sharing

18) Previous year figures have been regrouped / rearranged where ever necessary to confirm to current year's classification.

DECLARATION

We hereby declare and certify that all relevant provisions of the Companies Act and the guidelines issued by the Government or the regulations or guidelines issued by SEBI, established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statement made in this Preliminary Offer Document is contrary to the provisions of the Companies Act, the SEBI Act or rules or regulations made thereunder or guidelines issued, as the case may be. We certify that this Preliminary Offer Document contains all information specified under Schedule XVIII of the SEBI Regulations and such other information as is material and appropriate to enable the investors to make a well informed decision as to investment in the proposed Issue and further certify that all the statements in this Preliminary Offer Document are true and correct.

SIGNED BY THE DIRECTORS OF THE COMPANY

Name	Signature
Mr. Adi B. Godrej *Chairman (Non-Executive)*	
Mr. Jamshyd N. Godrej *Non-Executive Director*	
Mr. Nadir B. Godrej *Non-Executive Director*	
Mrs. Parmeshwar A. Godrej *Non-Executive Director*	
Mr. Pirojsha Godrej *Executive Director*	
Mr. Milind S. Korde *Managing Director*	
Mr. K.T. Jithendran *Executive Director*	
Mr. Amit B. Choudhury *Independent Director*	
Mr. Keki B. Dadiseth *Independent Director*	
Mrs. Lalita D. Gupte *Independent Director*	
Mr. Pranay Vakil *Independent Director*	
Dr. Pritam Singh *Independent Director*	
Mr. S. Narayan *Independent Director*	
Mr. Amitava Mukherjee *Independent Director*	

Date: March 15, 2012
Place: Mumbai

Mr. Rajendra Khetawat
Vice-President – Finance and Accounts

Registered Office of the Company

Godrej Properties Limited
Godrej Bhavan, 4th Floor
4A, Home Street, Fort
Mumbai 400 001

Statutory Auditor to the Company

M/s. Kalyaniwalla & Mistry, Chartered Accountants
Kalpataru Heritage, 5th Floor
127, M. G. Road, Fort
Mumbai 400 001

Book Running Lead Managers

Kotak Mahindra Capital Company Limited
1st Floor, Bakhtawar
229 Nariman Point
Mumbai 400 021

UBS Securities India Private Limited
2F, 2 North Avenue, Maker Maxity
Bandra Kurla Complex
Bandra (E), Mumbai 400 051

Syndicate Member

Kotak Securities Limited
1st Floor, Nirlon House
Dr. Annie Besant Road
Nr. Passport Office, Worli
Mumbai 400 025

Registrar to the Issue

Karvy Computershare Private Limited
Plot nos.17-24
Vittal Rao Nagar
Madhapur, Hyderabad 500 081

Public Issue Account Bank

HDFC Bank Limited
FIG-OPS Department
Lodha, I Think Techno Campus
O-3 level, Next to Kanjurmarg Railway Station
Kanjurmarg (East), Mumbai 400 042

Domestic Legal Counsel to the Company

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Lower Parel
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Domestic Legal Counsel to the BRLMs

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841, Senapati Bapat Marg
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Mumbai 400 013

International Legal Counsel to the BRLMs

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