Red Herring Prospectus
Please read Section 60B of the Companies Act, 1956
Dated November 05, 2007
100% Book Building Issue

Creation, not Construction

KOLTE-PATIL DEVELOPERS LIMITED

(Originally incorporated as a private limited company in the name of Kolte-Patil Developers Private Limited on November 25, 1991 in Jalgaon under the Companies Act, 1956 vide registration no. 11-64117. The Company was subsequently converted into a public limited company under the name of Kolte-Patil Developers Limited on April 1, 1995)

Registered and Corporate Office: 2nd Floor, City Point, Dhole Patil Road, Pune- 411 001
Tel. No.: +91 20 6622 6500; Fax No: +91 20 6622 6511; website: www.koltepatil.com
E-mail: investorrelation@koltepatil.com, Contact Person: Mr. Vinod Patil, Company Secretary and Compliance Officer

(For details of the changes in the address of the registered office and change of name of our Company, please refer to page 67 & 68 of this Red Herring Prospectus)

PUBLIC ISSUE OF 19,000,836 EQUITY SHARES OF FACE VALUE OF RS. 10 EACH AT A PRICE OF RS. [●] PER EQUITY SHARE FOR CASH AGGREGATING RS. [●] MILLION (HEREINAFTER REFERRED TO AS THE "ISSUE").

THE ISSUE COMPRISES A NET ISSUE TO THE PUBLIC OF UP TO 18,812,709 EQUITY SHARES ("THE NET ISSUE") AND A RESERVATION OF UP TO 188,127 EQUITY SHARES FOR SUBSCRIPTION BY EMPLOYEES (AS DEFINED HEREIN) (THE "EMPLOYEE RESERVATION PORTION"), AT THE ISSUE PRICE.

THE ISSUE WILL CONSTITUTE 25.25% AND THE NET ISSUE WILL CONSTITUTE 25.00% OF THE POST ISSUE PAID-UP EQUITY CAPITAL OF OUR COMPANY.

PRICE BAND: RS. 125 TO RS. 145 PER EQUITY SHARE OF RS. 10 EACH

THE ISSUE PRICE IS 12.5 TIMES THE FACE VALUE AT THE LOWER END OF THE PRICE BAND AND 14.5 TIMES THE FACE VALUE AT THE HIGHER END OF THE PRICE BAND

In case of revision in the Price Band, the Bidding Period will be extended for three additional working days after such revision, subject to the Bidding Period not exceeding 10 working days. Any revision in the Price Band, and the revised Bidding Period, if applicable, shall be widely disseminated by notification to the Bombay Stock Exchange Limited ("**BSE**") and National Stock Exchange of India Limited ("**NSE**"), where the Equity Shares of the Company are proposed to be listed and whose online IPO systems will be available for bidding, by issuing a press release and also by indicating the change on the website of the Book Running Lead Managers ("**BRLMs**") and the terminals of the Syndicate Member.

The Issue is being made through the 100% book building process wherein not more than 50% of the Net Issue to the public shall be available for allocation on a proportionate basis to Qualified Institutional Buyers ("**QIBs**"), out of which 5% shall be available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the QIB portion shall be available for allocation on proportionate basis to all QIBs, including Mutual Funds, subject to valid Bids being received at or above the Issue Price. Further, not less than 15% of the Net Issue to the public shall be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 35% of the Net Issue to the public shall be available for allocation on a proportionate basis to Retail Individual Bidders, subject to valid Bids being received from them at or above the Issue Price.

RISKS IN RELATION TO THE FIRST ISSUE

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

GENERAL RISK

Investment in equity and equity related securities involve a degree of risk and investors should not invest any funds in this Issue unless they can afford to take the risk of losing their investment. Investors are advised to read the risk factors carefully before taking an investment decision in this Issue. For taking an investment decision, investors must rely on their own examination of the Company and the Issue including the risk involved. The Equity Shares offered in the Issue have not been recommended or approved by the Securities and Exchange Board of India ("**SEBI**") nor does SEBI guarantee the accuracy or adequacy of this document. Our Company has not opted for initial public offering grading in relation to this issue of Equity Shares. Specific attention of the investors is invited to the Section entitled "Risk Factors" beginning on page (x) of this Red Herring Prospectus.

ISSUER'S ABSOLUTE RESPONSIBILITY

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

LISTING

The Equity Shares are proposed to be listed on Bombay Stock Exchange Limited (BSE) and National Stock Exchange of India Limited (NSE). The Company has received in-principle approvals from BSE and NSE vide their letters dated April 16, 2007 and April 5, 2007 respectively. NSE shall be the Designated Stock Exchange for the purposes of this Issue.

BOOK RUNNING LEAD MANAGERS TO THE ISSUE		REGISTRAR TO THE ISSUE
DSP Merrill Lynch **DSP Merrill Lynch Limited** Mafatlal Centre, 10th Floor, Nariman Point, Mumbai 400 021, India Tel: + 91 22 2262 1071, Fax: + 91 22 2262 1187 E-mail: kpdl_ipo@ml.com, Website: www.dspml.com Contact Person: Mr. N.S. Shekhar	Edelweiss Ideas create, values protect **Edelweiss Capital Limited** 1st Floor, Mittal Chambers, Nariman Point, Mumbai 400 021. India. Tel: +91 22 40863535, Fax: +91 22 2288 2119 E-mail: kpdl.ipo@edelcap.com Website: www.edelcap.com Contact Person: Mr. Prem D'Cunha	**Bigshare Services Private Limited,** E-2, Ansa Industrial Estate, Sakivihar Road, Saki Naka, Andheri East, Mumbai 400 072, India. Tel: +91 22 2847 0652, Fax: +91 22 2847 5207 Website: www.bigshareonline.com Email: ipo@bigshareonline.com SEBI Regn No. INR000001385 UIN No. 100003467 Contact Person: Mr. Ashok Shetty

ISSUE PROGRAMME

BID / ISSUE OPENS ON : NOVEMBER 19, 2007	BID / ISSUE CLOSES ON : NOVEMBER 22, 2007

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SECTION I: GENERAL

DEFINITIONS AND ABBREVIATIONS

Term	Description
“Kolte–Patil Developers Limited”, “KPDL”, “our Company”, “we”, “us” and “our”	Unless the context otherwise requires, refers to, Kolte-Patil Developers Limited, a public limited company incorporated under the Companies Act, 1956.
Articles/ Articles of Association	The Articles of Association of our Company.
Auditors	The statutory auditors of our Company, being M/s SPCM & Associates (formerly known as Bora Kasat & Co), Chartered Accountants.
Board of Directors / Board	The Board of Directors of our Company or a Committee thereof.
Director(s)	Director(s) of the Company unless otherwise specified.
Memorandum/ Memorandum of Association	The Memorandum of Association of our Company.
OCB/ Overseas Corporate Body	A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% by NRIs including overseas trusts, in which not less than 60% of beneficial interest is irrevocably held by NRIs directly or indirectly as defined under Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000.
Octroi	Is a local tax collected on various articles brought into a district for consumption.
Person/Persons	Any individual, sole proprietorship, unincorporated association, unincorporated organization, body corporate, corporation, company, partnership, limited liability company, joint venture, or trust or any other entity or organization validly constituted and/or incorporated in the jurisdiction in which it exists and operates, as the context requires.
Promoter(s)	Unless the context otherwise requires, refers to our core Promoters, Mr. Rajesh Patil, Mr. Naresh Patil and Mr. Milind Kolte.
Registered Office of the Company	2nd Floor, City Point, Dhole Patil Road, Pune 411 001, Maharashtra, India
SEBI Takeover Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997, as amended from time to time.
“US$” or “U.S. Dollar(s)”	All references to “US$” or “U.S. Dollar(s)” are to United States Dollars, the official currency of the United States of America.
VCF/Venture Capital Fund	Foreign Venture Capital Funds (as defined under the Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996) registered with SEBI under applicable laws in India.

CONVENTIONAL / GENERAL TERMS

Term	Description
Companies Act	The Companies Act, 1956, as amended from time to time.
Depositories Act	The Depositories Act, 1996, as amended from time to time.
Depository	A depository registered with SEBI under the SEBI (Depositories and Participant) Regulations, 1996, as amended from time to time.
Depository Participant	A depository participant as defined under the Depositories Act.
FEMA	Foreign Exchange Management Act, 1999, as amended from time to time and the regulations framed thereunder.

Term	Description
Financial Year/ Fiscal/ FY	The period of twelve months ended March 31 of that particular year.
FII	Foreign Institutional Investor as defined under SEBI (Foreign Institutional Investors) Regulations, 1995, registered with SEBI under applicable laws in India.
Indian GAAP	Generally Accepted Accounting Principles in India.
I. T. Act	The Income Tax Act, 1961, as amended from time to time.
I. T. Rules	The Income Tax Rules, 1962, as amended from time to time, except as stated otherwise.
Non Resident	A person who is not resident in India other than NRIs and FIIs.
NRI/ Non-Resident Indian	A person resident outside India, as defined under FEMA, and who is a citizen of India or a person of Indian origin, each such term as defined under the FEMA (Deposit) Regulations, 2000, as amended from time to time.
RBI	Reserve Bank of India constituted under the Reserve Bank of India Act, 1934.
SEBI	Securities and Exchange Board of India constituted under the SEBI Act.
SEBI Act	Securities and Exchange Board of India Act, 1992, as amended from time to time.
SEBI Guidelines/DIP Guidelines	The SEBI (Disclosure and Investor Protection) Guidelines 2000, as amended from time to time, including instructions, guidelines and clarifications issued by SEBI from time to time.
SEBI (ESOP) Guidelines	The SEBI (Employees Stock Option Scheme and Employees Stock Purchase Scheme) Guidelines 1999, as amended from time to time.

ISSUE RELATED TERMS AND ABBREVIATIONS

Term	Description
Allotment/ Allotment of Equity Shares	Unless the context otherwise requires, issue of Equity Shares pursuant to this Issue.
Banker(s) to this Issue	Escrow Collection Bank(s) as defined on page (iii)
Bid	An indication to make an offer, made during the Issue/Bidding Period, by a prospective investor to subscribe to the Equity Shares at a price within the Price Band, including all revisions and modifications thereto.
Bid Amount	The highest value of the optional Bids indicated in the Bid-cum-Application Form and payable by the Bidder on submission of the Bid for this Issue.
Bid/ Issue Closing Date	The date after which the members of the Syndicate shall not accept any Bids for this Issue, which shall be notified in a widely circulated English national newspaper, a Hindi national newspaper and a regional newspaper.
Bid/ Issue Opening Date	The date on which the members of the Syndicate shall start accepting Bids for this Issue, which shall be notified in a widely circulated English national newspaper, a Hindi national newspaper and a regional newspaper.
Bid-cum-Application Form	The form in terms of which the Bidder shall make an offer to subscribe to the Equity Shares of the Company and which shall be considered as the application for allotment in terms of this Red Herring Prospectus.
Bidder	Any prospective investor who makes a Bid pursuant to the terms of this Red Herring Prospectus and the Bid-cum-Application Form.
Book Building Process	Book building mechanism as provided under Chapter XI of the SEBI Guidelines, in terms of which this Issue is made.

Term	Description
BRLMs	Book Running Lead Managers to the Issue, in this case being DSP Merrill Lynch Limited and Edelweiss Capital Limited.
CAN/ Confirmation of Allocation Note	The note or advice or intimation of allocation of Equity Shares sent to the Bidders who have been allocated Equity Shares after discovery of Issue Price in the Book Building Process.
Cap Price	The upper end of the Price Band, above which the Issue Price will not be finalised and above which no Bids will be accepted.
Cut-off Price	The Issue Price finalised by our Company in consultation with the BRLMs and which shall be any price within the Price Band. A Bid submitted at the Cut-off Price by a Retail Individual Bidder and Eligible Employee whose Bids do not exceed Rs. 100,000 is a valid Bid at all price levels within the Price Band.
Developable Land Area	The net Land Area available for development after all statutory deductions
Designated Date	The date on which funds are transferred from the Escrow Account to the Public Issue Account after the Prospectus is filed with the Registrar of Companies, following which the Board of Directors shall allot Equity Shares to successful Bidders.
Designated Stock Exchange	National Stock Exchange of India Limited.
Draft Red Herring Prospectus or DRHP	The Draft Red Herring Prospectus issued in accordance with Section 60B of the Companies Act, which does not contain complete particulars of the price at which the Equity Shares are issued and the size (in terms of value) of the Issue.
Eligible Employees	Eligible Employee means the permanent employees of the Company and/ or its subsidiaries who are Indian nationals based in India and are physically present in India on the Bid/Issue Opening Date. In addition, such person should be an employee during the period commencing from the date of filing of the Red Herring Prospectus with the ROC upto the Bid/Issue Closing Date.
Eligible NRI	NRI from such jurisdiction where it is not unlawful to make an offer or invitation under the Issue.
Employees	All the permanent employees of the Company and/or the subsidiaries of our Company.
Employee Reservation Portion	The portion of the Issue being upto 188,127 Equity Shares available for allocation to Employees.
Equity Shares	Equity Shares of our Company of face value of Rs. 10 each unless otherwise specified in the context thereof.
Escrow Account	Account opened with Escrow Collection Bank(s) and in whose favour the Bidder will issue cheques or drafts in respect of the Bid Amount when submitting a Bid.
Escrow Agreement	Agreement to be entered into between the Company, the Registrar to this Issue, the Escrow Collection Banks and the BRLMs in relation to the collection of the Bid Amounts and dispatch of the refunds (if any) of the amounts collected, to the Bidders.
Escrow Collection Bank (s)	The banks, which are registered with SEBI as Banker (s) to the Issue at which the Escrow Account for the Issue will be opened, in this case being ICICI Bank Limited, HDFC Bank Limited, Deutsche Bank AG, Standard Chartered Bank, The Hongkong and Shanghai Banking Corporation Limited and Axis Bank.
First Bidder	The Bidder whose name appears first in the Bid-cum-Application Form or Revision Form.

Term	Description
Floor Price	The lower end of the Price Band, below which the Issue Price will not be finalised and below which no Bids will be accepted.
Indian National	As used in the context of the Employee Reservation Portion, a citizen of India as defined under the Indian Citizenship Act, 1955, as amended, who is not an NRI.
ICICI Venture	ICICI Venture Funds Management Company Limited
Issue	The issue of 19,000,836 Equity Shares of Rs. 10 each fully paid up at the Issue Price aggregating Rs. [●] million.
Issue/ Bidding Period	The period between the Bid / Issue Opening Date and the Bid/Issue Closing Date inclusive of both days and during which prospective Bidders can submit their Bids.
Issue Price	The final price at which Equity Shares will be issued and allotted in terms of this Red Herring Prospectus. The Issue Price will be decided by our Company in consultation with the BRLMs on the Pricing Date.
Land Area	The land area as per the agreements and conveyances entered into by KPDL and/or our promoter group.
Margin Amount	The amount paid by the Bidder at the time of submission of the Bid, being 10% to 100% of the Bid Amount.
Mutual Funds	The mutual funds registered with SEBI pursuant to the SEBI (Mutual Funds) Regulations, 1996, as amended from time to time.
Net Issue	The Issue excluding the Employee Reservation Portion.
Non Institutional Bidders	All Bidders that are not Qualified Institutional Buyers or Retail Individual Bidders and who have Bid for Equity Shares for an amount more than Rs. 100,000.
Non Institutional Portion	The portion of this Issue being not less than 15% of the Net Issue consisting of 2,821,906 Equity Shares of Rs. 10 each aggregating Rs. [●] million, available for allocation to Non Institutional Bidders.
NRI/Non-Resident Indian	A person resident outside India, who is a citizen of India or a person of Indian origin and shall have the same meaning as ascribed to such term in the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000.
Pay-in Date	Bid/Issue Closing Date or the last date specified in the CAN sent to Bidders, as applicable.
Pay-in-Period	Means: i. with respect to Bidders whose Margin Amount is 100% of the Bid Amount, the period commencing on the Bid/ Issue Opening Date and extending until the Bid/Issue Closing Date; and ii. with respect to QIBs, whose Margin Amount is 10% of the Bid Amount, the period commencing on the Bid/Issue Opening Date and extending until the closure of the Pay-in Date.
Price Band	The price band of a minimum price ("**Floor Price**") of Rs. 125 and the maximum price ("**Cap Price**") of Rs. 145 and includes revisions thereof.
Pricing Date	The date on which our Company in consultation with the BRLMs finalises the Issue Price.
Promoter Group	The persons and entities referred to on page 84 of this RHP.
Prospectus	The Prospectus, filed with the Registrar of Companies, containing, *inter alia*, the Issue Price that is determined at the end of the Book Building Process, the size of this Issue and certain other information.

Term	Description
Public Issue Account	Account opened with the Banker to this Issue to receive monies from the Escrow Account for this Issue on the Designated Date.
QIB Margin Amount	An amount representing at least 10% of the Bid Amount.
QIB Portion	Consists of 9,406,355 Equity Shares of Rs. 10 each aggregating to [●] being not more than 50% of the Net Issue, available for allocation to QIBs. 5% of the QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only.
Qualified Institutional Buyers/ QIBs	Public financial institutions as specified in Section 4A of the Companies Act, scheduled commercial banks, mutual funds registered with SEBI, multilateral and bilateral development financial institutions, venture capital funds registered with SEBI, state industrial development corporations, insurance companies, provident funds with minimum corpus of Rs. 250 million and pension funds with minimum corpus of Rs. 250 million. For purposes of the Issue, QIBs exclude persons resident outside India, including, without limitation, FIIs, FVCIs, multilateral and bilateral institutions and companies in which there is a majority ownership and control by persons resident outside India.
Red Herring Prospectus (RHP)	The Red Herring Prospectus issued in accordance with Section 60B of the Companies Act, which does not have complete particulars on the price at which the Equity Shares are offered and size of this Issue. It carries the same obligations as are applicable in case of a Prospectus and will be filed with the Registrar of Companies, at least three days before the opening of this Issue. It will become a Prospectus after filing with the Registrar of Companies, after pricing and allocation.
Registrar/ Registrar to this Issue	Bigshare Services Private Limited.
Retail Individual Bidders	Individual Bidders (including HUFs) who have Bid for an amount less than or equal to Rs. 1,00,000 in any of the bidding options in this Issue.
Retail Portion	Consists of 6,584,448 Equity Shares of Rs. 10 each aggregating Rs. [●], being not less than 35% of the Net Issue, available for allocation to Retail Individual Bidder(s).
Revision Form	The form used by the Bidders to modify the quantity of Equity Shares or the Bid price in any of their Bid-cum-Application Forms or any previous Revision Form(s).
Stock Exchanges	Bombay Stock Exchange Limited and the National Stock Exchange of India Limited.
Syndicate	The BRLMs and the Syndicate Members.
Syndicate Agreement	The agreement to be entered into between the Company and the members of the Syndicate, in relation to the collection of Bids in this Issue.
Syndicate Member	Edelweiss Securities Limited.
Transaction Registration Slip/ TRS	The slip or document issued by the Syndicate Members to the Bidders as proof of registration of the Bid.
Underwriters	The BRLMs and the Syndicate Members.
Underwriting Agreement	The Agreement between the Underwriters and the Company to be entered into on or after the Pricing Date.

Notwithstanding the foregoing, in the section titled “Main Provisions of the Articles of Association of our Company” on page 246 of this Red Herring Prospectus, defined terms have the meaning given to such terms in the Articles of Association of our Company.

ABBREVIATIONS

Abbreviation	Full Form
AGM	Annual General Meeting.
AS	Accounting Standards issued by the Institute of Chartered Accountants of India.
BPO	Business Process Outsourcing.
BSE	Bombay Stock Exchange Limited.
CDSL	Central Depository Services (India) Limited.
DRHP	Draft Red Herring Prospectus.
ECS	Electronic Clearing System.
EGM	Extra Ordinary General Meeting of the shareholders of the Company.
EPS	Earnings Per Share.
ESOS	Employee Stock Option Scheme.
FCNR Account	Foreign Currency Non Resident Account.
FDI	Foreign Direct Investment.
FEMA	Foreign Exchange Management Act, 1999, as amended from time to time and the regulations issued thereunder.
FII	Foreign Institutional Investor (as defined under SEBI (Foreign Institutional Investors) Regulations, 1995, as amended from time to time) registered with SEBI under applicable laws in India.
FIs	Financial Institutions.
FIPB	The Foreign Investment and Promotion Board.
GDP	Gross Domestic Product.
GIR Number	General Index Registry Number.
GoI/ Government	Government of India.
HUF	Hindu Undivided Family.
Indian GAAP	Generally Accepted Accounting Practices in India.
IT Act	The Income Tax Act, 1961 as amended from time to time
Mm/mm/mn	Million.
MOU	Memorandum of Understanding
NAV	Net Asset Value.
NRE Account	Non Resident External Account.
NRI	Non Resident Indian.
NRO Account	Non Resident Ordinary Account.
NSDL	National Securities Depository Limited.
NSE	National Stock Exchange of India Limited.
p.a.	Per annum.
P/E Ratio	Price/Earnings Ratio.
PAN	Permanent Account Number.
RBI	The Reserve Bank of India.
RHP	Red Herring Prospectus.
RCC	Reinforced Cement Concrete.

Abbreviation	Full Form
ROC/Registrar of Companies	The Registrar of Companies, Maharashtra, Pune.
RoNW	Return on Net Worth.
Rs./ Rupees	Indian Rupees, the legal currency of the Republic of India.
SCRR	Securities Contracts (Regulation) Rules, 1957, as amended from time to time.
UIN	Unique Identification Number issued in terms of SEBI (Central Database of Market Participants) Regulations, 2003, as amended from time to time.
U.S. GAAP	Generally accepted accounting principles in United States of America.

PRESENTATION OF FINANCIAL INFORMATION AND USE OF MARKET DATA

Financial Data

In this Red Herring Prospectus, unless the context otherwise requires, the word "Lakh" means "one hundred thousand", the word "million (mn)" means "ten lakh", the word "Crore" means "ten million" and the word "billion (bn)" means "one hundred crore". Throughout this Red Herring Prospectus, all figures have been expressed in millions.

Unless stated otherwise, the financial information used in this Red Herring Prospectus is derived from the Company's restated financial statements as of and for the years ended March 31, 2003, 2004, 2005, 2006 and 2007 prepared in accordance with Indian GAAP and the Companies Act and restated in accordance with SEBI Guidelines, as stated in the report of our statutory Auditors, M/s SPCM & Associates, Chartered Accountants, included in this Red Herring Prospectus.

Our Fiscal year commences on April 1 and ends on March 31 of a particular year. Unless stated otherwise, references herein to a Fiscal year (e.g., Fiscal 2005), are to the Fiscal year ended March 31 of a particular year. In this Red Herring Prospectus, any discrepancies in any table between the total and the sum of the amounts listed are due to rounding-off.

In this Red Herring Prospectus, unless otherwise specified, all financial numbers in parenthesis represent negative figures.

There are significant differences between Indian GAAP and U.S. GAAP; accordingly, the degree to which the Indian GAAP financial statements included in the Red Herring Prospectus will provide meaningful information is entirely dependent on the reader's level of familiarity with Indian accounting practices, Indian GAAP, Companies Act and SEBI Guidelines. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in the Red Herring Prospectus should accordingly be limited. Our Company has not attempted to explain these differences or quantify their impact on the financial data included herein, and we urge you to consult your own advisors regarding such differences and their impact on financial data.

Market Data

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

Currency of Presentation

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

Exchange Rates

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

Unless otherwise stated, we have in this Red Herring Prospectus used a conversion rate of Rs. 44.17 for one U.S. Dollar. Such translations should not be considered as a representation that such U.S. Dollar amount have been, could have been or could be converted into Rupees at any particular rate, the rates stated above or at all. The noon lending rate of exchange on March 31, 2007 was Rs. 43.10 for one U.S. Dollar. (Source: Bloomberg).

For additional definitions, please refer to the section titled 'Definitions and Abbreviations' on page (i) of this Red Herring Prospectus. In the section titled 'Main Provisions of the Articles of Association of our Company' beginning on page 246 of this Red Herring Prospectus, defined terms have the meaning given to such terms in the Articles of Association of our Company.

FORWARD-LOOKING STATEMENTS

We have included statements in this Red Herring Prospectus which contain words or phrases such as “will”, “aim”, “will likely result”, “believe”, “expect”, “will continue”, “anticipate”, “estimate”, “intend”, “plan”, “contemplate”, “seek to”, “plan”, “future”, “objective”, “goal”, “project”, “should”, “will pursue” and similar expressions or variations of such expressions, that are “forward-looking statements”.

Actual results may differ materially from those suggested by the forward-looking statements due to risks or uncertainties associated with our expectations, including, but not limited to:

- Regulatory changes relating to the real estate industry in India and our ability to respond to them;
- Our ability to successfully implement our strategy;
- Our ability to manage our growth and expansion, and obtain financing on favourable terms;
- The availability of real estate financing in India;
- The extent to which sale proceeds differ from the assumptions made in our property valuations;
- Our ability to lease/ license/ sell our buildings/premises speedily to reduce the time-gap between the construction of and the lease/ license/sale of our buildings/premises;
- Our ability to procure land at a reasonable cost and at reasonable times;
- Our ability to replenish our land reserves and identify new projects;
- The extent to which revenues from sales of long-term projects are not recognized under our revenue recognition policy until the accounting period in which the sales are completed, which may affect our results of operations from period to period;
- Impairment of our title to land;
- Competition in our industry and our ability to compete effectively, particularly in new markets and businesses;
- Our exposure to market risks and general economic and political conditions in India, which may have an impact on our Business activities or investments;
- Inflation, deflation, volatility in interest rates;
- Volatile equity markets;
- The performance of the financial markets in India;
- Changes in domestic and foreign laws, regulations & taxes.

For further discussion of factors that could cause our actual results to differ, please refer to the section titled ‘Risk Factors’ beginning on page (x) of this Red Herring Prospectus. By their nature, certain market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual future gains or losses could materially differ from those that have been estimated. Neither our Company nor the BRLMs nor any member of the Syndicate, nor any of their respective affiliates have any obligation to update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition. In accordance with SEBI requirements, our Company and the BRLMs will ensure that investors in India are informed of material developments until such time as the grant of listing and trading permission by the Stock Exchanges.

SECTION II - RISK FACTORS

An investment in equity shares involves a degree of risk. You should carefully consider all the information in this Red Herring Prospectus, including the risks and uncertainties described below, before making an investment in our Equity Shares. You should read this section in conjunction with the sections entitled "Business" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" on pages 38 *and* 175 *of this Red Herring Prospectus, respectively, as well as the other financial and statistical information contained in this Red Herring Prospectus. If any one or some combination of the following risks were to occur, our business, our results of operations and financial condition could suffer, and the price of the Equity Shares and the value of your investment in the Equity Shares could decline.*

A. Internal Risk Factors and Risks Relating to our Business

1. Less than 25% of the land being developed by our Company is owned by our Company.

Our land reserves consist of parcels of land at various locations aggregating over 54.50 million sq. ft. Of this, approximately 0.51 million sq. ft. of land is owned by us, which aggregates to approximately 1% of our total land reserves. Approximately 27.39 million sq. ft., or approximately 50%, of our total land reserves consists of land over which the Company has sole development rights and approximately 26.34 million sq. ft., or approximately 48%, of our total land reserves consists of lands that are subject to memoranda of understanding, agreements to acquire or letters of acceptance to which the Company and/or its subsidiaries and/or its Promoter group companies are a party. Additionally, 0.25 million sq. ft., or less than 1%, of our total land reserves consists of land for which we have entered into a joint development agreement. The lands for which we have obtained developments rights and the land that we are developing pursuant to joint development agreement or joint venture agreements with third parties are not owned by us and such types of agreements do not contemplate acquisition of ownership rights by us. The lands not yet owned by us include:

(1) lands subject to purchase agreements that have been entered into or executed by us; and

(2) lands owned by third parties for which MOUs or agreements for sale have been entered into by us.

Furthermore, we are yet to acquire development rights with respect to certain lands for which we have entered into agreements/MOUs to acquire developments rights either jointly or as sole developers.

We cannot assure you that (i) the acquisition of the lands not yet owned by us and or the acquisition of development rights pursuant to the agreements that we have entered into will be completed in a timely manner or at all or (ii) that our ability to construct, develop, market and sell projects on lands for which we hold development rights or are developing jointly with third parties will not be frustrated or impeded. In the event that we are unable to acquire and/or develop any of these lands, we may not be able to recover any amount partially paid. Our inability to acquire or develop any of these lands in a timely manner or at all or the non-recovery of the partial amount paid by us may adversely affect our business prospects, financial condition and results of operations. For further details on our land reserves, see "Business- Our Land Reserves" and "Business- Land Reserves Table" on pages 47 and 48 respectively, of this RHP.

2. There are outstanding litigations against us, our Directors, our Promoters and Promoter Group companies

We, our Directors, our Promoters and Promoter Group companies are party to various legal proceedings that are pending at different levels of adjudications before various courts. A classification of the legal proceedings instituted against our Company, our Promoters and Promoter Group and the monetary amount involved in these cases is mentioned in brief below:

Nature of cases	Number of cases	Approximate total amount involved (Rs in Million)
Proceedings instituted against our Company		
Civil	Ten (10)	201.5
Show Cause Notices	Three (3)	N.A.

Nature of cases	Number of cases	Approximate total amount involved (Rs in Million)
Proceedings instituted against the Promoters, Promoter Group and the Directors		
Civil	Eleven (11)	296.61
Proceedings instituted by the Company, Promoters, Promoter Group and the Directors		
Civil	Twenty one (21)	10.64

Note: The amounts indicated in the column above are approximate amounts, wherever quantifiable.

Any adverse orders that may be passed in any such ongoing or potential litigation could impact our operations and/or profitability. Furthermore, no assurances can be given that these matters will be settled in our favour or that no further liability will arise out of these claims. For further details on litigations filed against us, our Directors, our Promoters and Promoter Group companies, see the section entitled "Outstanding Litigations, Material Developments and Other Disclosures" beginning on page 192 of this Red Herring Prospectus.

3. ***We may not be able to increase our existing land reserves by acquiring suitable sites.***

In order to maintain and grow our business, we will be required to add to our existing land reserves with suitable sites for development. Our ability to identify and acquire suitable sites is dependent on a number of factors that may be beyond our control. These factors include the availability of suitable land, the willingness of landowners to sell us land on attractive terms, the ability to obtain agreements to sell from all the owners where land has multiple owners, the existence of encumbrances on targeted land, government directives on land use and the obtaining of permits and approvals for land acquisition and development. Our inability to acquire sufficient land may cause us to change, delay or abandon entire projects, which in turn could cause our business to suffer. In addition, land acquisition in India has been subject to regulatory restrictions on foreign investment. These restrictions are gradually being relaxed, and taken together with the aggressive growth strategies and financing plans of Indian real estate development companies and real estate investment funds, are likely to make suitable land increasingly expensive. If we are unable to compete effectively in the acquisition of suitable land in the areas in which we propose to build projects, our business and prospects may be adversely affected. For further details on our existing land reserves, see "Business – Our Land Reserves" and "Business – Land Reserves Table" on page 47 and 48 of this Red Herring Prospectus.

4. ***Our business operations are subject to the performance of the real estate market and the financing of real estate in the regions in which we do business in India.***

Our operations are subject to the performance of the real estate market in India generally and more particularly the markets in which our projects are located. The development of a real estate project takes a substantial amount of time and our business could be adversely impacted if there is a decline in prices over the timeframe of development. Changes in government policies, local economic conditions (which may differ from countrywide economic conditions), demographic trends, employment and income levels and interest rates, among other factors, may affect the real estate market and impact the demand for and valuation of our projects under implementation and our future projects. Low interest rates on housing loans and income tax benefits such as tax exemptions on repayment of loans and interest payments have helped boost the recent growth of the Indian real estate market. Interest rates, however, have shown signs of increasing in recent months and most of the leading financial institutions have recently raised interest rates on loans. (Source: *RBI First Quarter Review of Annual Statement of Monetary Policy for the Year 2007-08 dated July 31, 2007*) A rise in interest rates could be one factor that could affect the demand for housing and thereby adversely affect the performance of the real estate market. In the event of a change in fiscal, monetary or other policy and a consequent withdrawal of such income tax benefits, or if the interest rates on such loans are increased, or if there is a decrease in the availability of home loans, consumers could be discouraged from taking loans to acquire real estate and thereby weaken the real estate market, which may adversely affect our operating results and financial condition.

Increases in the amount of capital that its banks must set aside against property loans, increases of credit reserve ratios and changes in interest rates by the RBI impact housing loans originated by banks and housing finance companies and could reduce the attractiveness of purchasing property. Additionally, the RBI or the GoI may take further steps to reduce, directly or indirectly, the credit to the real estate sector, which may adversely affect the availability of housing loans at attractive rates. These factors can negatively affect the demand for and valuation of our projects under development and our planned projects. Our business, financial condition and results of operations could be adversely affected if real estate market conditions deteriorate.

5. ***We have yet to satisfy certain conditions precedent contained in our joint venture agreement with K2 Property Limited.***

On April 20, 2007, the Company entered into a joint venture agreement with Mr. Rajesh Patil, K2 Property Limited, Kolte Patil Real Estate Private Limited ("KPRE") and Regenesis Project Management Company Private Limited for the purposes of acquiring, developing, operating and marketing certain real estate projects. The Company and K2 Property Limited have agreed to subscribe for fully convertible debentures of "KPRE" subject to the fulfillment of certain conditions precedent by June 30, 2007. The deadline for fulfilling these conditions precedent was subsequently extended by K2 Property Limited to October 31, 2007, and then to December 31, 2007.

If those conditions precedent are not satisfied within the agreed timeframe, then the joint venture agreement could ultimately be terminated. If K2 Property Limited were to terminate the joint venture agreement, Kolte Patil Real Estate Private Limited would have to refund the Rs. 250 million share application amount that K2 Property Limited previously deposited in connection with the formation of the joint venture. The Company and Kolte Patil Real Estate Private Limited would also have to, jointly and severally, indemnify K2 Property Limited against any losses that it might incur because of a delay or failure on the part of the Kolte Patil Real Estate Private Limited to refund the share application amount. Additionally, Kolte Patil Real Estate Private Limited would not be able to, among other things, commence construction on any of the contemplated real estate projects, carry on any business, acquire any other property, or directly or indirectly transfer certain land that has already been acquired by Kolte Patil Real Estate Private Limited until the share application amount has been refunded. Under the joint venture agreement, K2 Property Limited would be able to seek injunctive relief to enforce any of the rights arising from the termination of the joint venture agreement. Moreover, if the joint venture agreement were to be terminated, the Company may not be able to pursue the contemplated real estate projects on our own without the capital contribution from K2 Property Limited. If we are unable to pursue these projects, we may not be able to recover some or all of the capital already expended in connection with this joint venture. If any of these effects from a termination of the joint venture agreement were to occur, our business prospects, financial condition and results of operation could be adversely affected. For further details on the joint venture with K2 Property Limited, see "History and Other Corporate Matters - Joint Venture Agreement dated April 20, 2007 between the Company, Mr. Rajesh Patil, K2 Property Limited, Kolte Patil Real Estate Private Limited and Regenesis Project Management Company Private Limited" on page 71 of this Red herring Prospectus.

6. ***Our business is vulnerable to volatility in interest rates***

We regularly borrow funds for development and construction of projects. Because we rely on borrowed funds to finance a portion of our business, an increase in our costs of borrowing funds due to rising interest rates may affect our results of operations. We may not be able to borrow sufficient funds in a timely manner or on favourable terms, or at all. Any delay in obtaining finance will affect the progress of our projects which in turn will affect our debt serving capacity. Moreover, if we do not have access to adequate funding, we may have to delay or abandon some or all of our planned developments or reduce capital expenditures and the size of our operations, which may have a material adverse effect on our business, financial condition and results of operations.

7. ***Fluctuations in market conditions may affect our ability to sell our projects at the prices we anticipated, which could adversely affect our revenues and earnings.***

We are subject to potentially significant fluctuations in the market value of our land and constructed inventories. The risk of owning undeveloped land, developed land and constructed inventories can be substantial and the market value of the same can fluctuate significantly as a result of changing economic and market conditions.

We need to regularly identify and acquire new sites of undeveloped and developed land to support and sustain our business. There is often a significant lag between the time we acquire land or development rights and the time that we can construct and develop such project and sell our inventories. Further, the actual timing of the completion of a project may be different from its forecasted schedule for a number of reasons, including the need to obtain governmental approvals and building permits. In addition, real estate investments, both in land and constructed inventories, are relatively illiquid, which may limit our ability to vary our exposure in the real estate business promptly in response to changes in economic or other conditions.

We could be adversely affected if market conditions deteriorate or if we purchase land or construct inventories at higher prices during stronger economic periods and the value of the land or the constructed inventories subsequently declines during weaker economic periods.

8. ***We are currently geographically concentrated and our projects portfolio is relatively concentrated in projects in and around Pune.***

   Our projects portfolio has been concentrated in Pune and, to a lesser extent, in Bangalore. Of our capital projects through September 30, 2007, approximately 92% of the square footage has been in Pune and approximately 8% in Bangalore. In the event of a slowdown in construction activity in Pune or its surrounding areas, or any developments that make projects in Pune less economically beneficial, our business, financial condition and results of operations could be adversely affected.

9. ***Expanding into new geographic areas poses risks.***

   We seek to diversify our geographic focus. As we do so, we may face various risks. For example, in areas that are new to us, established local competitors may be better placed to find the best land and locations and develop projects quickly, by having greater familiarity with the local towns and communities, local demand and consumer preferences, local landowners, suppliers and contractors, local regulations and regulators and other key local aspects of the area's real estate development market. Additionally, we could run into difficulties complying with local laws that are unfamiliar to us, or fitting in with and taking advantage of local practices relevant to real estate transactions and real estate development. We cannot assure you that to the extent we seek to develop projects outside the Pune area we will be as successful as we can be in Pune, or will be able to foresee local risks and respond to them successfully.

10. ***We may pursue new kinds of projects, which may involve different skills, resources and regulatory issues than our traditional projects.***

    We have until recently focused primarily on residential and commercial projects and IT parks. In the future, we plan to expand the range of projects in which we shall engage to include serviced apartment buildings and integrated townships. In addition, we have agreed to enter into a joint venture to undertake the development of hotel properties. We plan to retain such developed hotel properties and operate them through a hospitality management company to be set up and controlled by us.

    Each of these new types of projects may involve different risks, many of which may be new to us, and may require different resources than those associated with our traditional project mix, not all of which we may have at our disposal. These new types of projects may require knowledge of different sorts of businesses, laws, regulations, customers, suppliers and markets. Finally, these new types of projects may offer commercial rewards on timeframes or other bases that are not beneficial to us. There can be no assurance that, to the extent we develop any of these new types of projects, we will succeed in their development, and there can be no assurance that we will not suffer from the redirection of resources away from the types of projects we know better. Either of these outcomes could adversely affect our results and business.

11. ***Increases in the prices of land and potential limitations on the supply of land could adversely affect our results of operations.***

    If the Company is to continue to grow its business, it must replenish its land reserves over time as current parcels are developed. Should prices for land continue to increase over time, the Company may have to pass along some or all of the added costs to customers. There can be no assurance that the Company will be able to pass along higher land acquisition costs without adversely affecting its margins. If the Company were to absorb some or all of any added costs, its margins and profitability could suffer.

12. ***Some of our immovable properties may be subject to irregularities in title and some of our agreements may be inadequately stamped, as a result of which our operations may be impaired.***

    We conduct due diligence and assessment exercises prior to acquisition of land for undertaking development and the Company has previously never been subject to litigation with respect to irregularities of title; however, we may not be able to assess or identify certain risks and liabilities associated with irregularities of title. Title to land is often fragmented and in many cases the land may have multiple owners. Some of our immovable properties for our projects or offices, which are either owned by us or taken on lease or which we have development rights on, may have one or more irregularities of title, including non-execution of conveyance deeds for transfer of property, inadequate stamping and/or non-registration of deeds and agreements, non-execution of lease deeds and non renewal of lease agreements. The failure to obtain good title to a particular plot of land may hinder development of the project for which such parcel was acquired and may require us to write off the expenditures incurred with respect to such development. In addition, we have entered into agreements to sell and memoranda of understanding in connection with certain projects, but have not completed acquisition of title or acquisition of development rights to the relevant lands. If we do not have, or are unable to obtain clear title to these lands and are unable to develop such lands for this reason, our financial position and results of operations may be adversely affected. For further details on land owned by the Company, see "Business - Our Land Reserves" and "Business - Land Reserves Table" on page 47 and 48 respectively, of this RHP.

13. ***We may not be able to acquire or register all or any of the lands for which we have entered into agreements to sell or MOUs.***

We enter into agreements to sell or MOUs prior to acquiring any property. We intend to use a portion of the Net Proceeds to acquire lands with respect to which we have executed agreements to sell or MOUs with the respective owners. We cannot assure you that such lands will be conveyed to us, that we will be successful in acquiring them or that we will be successful in registering them in our name or the name of one of our subsidiaries. Additionally, we cannot assure you that we will be able to utilise the Net Proceeds for the purchase of such lands, as disclosed in the section "Objects of the Issue" on page 21 of this Red Herring Prospectus. Moreover, even if we are successful in acquiring the lands identified in the section "Objects of the Issue", we cannot assure you that these lands will be acquired at the prices indicated in that section. In some instances, price increases may even cause us to be unable to acquire these lands.

In the event we are unable to utilize the net proceeds of the issue for the objects specified herein we shall with the approval of the shareholders of the Company deploy the funds for other business purposes including towards purchase of additional land parcels, construction of projects, repayment of loans or general corporate purposes. For further details on land subject to MoUs see "Business- Land Reserves Table" on page 48 of this RHP.

14. ***In the event that we are unable to acquire lands for which we have entered into agreements to sell, we may lose advances paid towards acquisition of such lands.***

As part of our land acquisition process, we enter into agreements to sell with third parties prior to the transfer or conveyance of title to parcels of land. We enter into these agreements to sell to ensure that the sellers of the land satisfy certain conditions within the stipulated time frame specified under these agreements. Under these agreements, the owners of the land may be required to provide to us all of the original deeds and documents in relation to the land.

Upon entering into these agreements to sell, we are required to pay these landowners certain advances towards the purchase of the lands. These agreements also provide that the lands must be conveyed in our favour within a prescribed period of time. In the event that we are not able to acquire the lands covered by these agreements to sell, we may not be able to recover all or part of the advance monies related to these lands.

Furthermore, in the event that these agreements to sell are either invalid or have expired, we may lose the right to acquire these lands and also may not be able to recover the advances made in relation to the land. Also, any indecisiveness or delay on our part to perform our obligations under these agreements may jeopardize our ability to acquire these lands before these agreements expire. Additionally, any failure to renew any of these agreements on similar terms or recover the advanced monies from the relevant counterparties following the expiration of the initial term of such agreement could adversely affect our business, financial condition and results of operations. As on September 30, 2007, we have paid an amount of Rs. 840.35 million to the owners of these lands. For further details on land subject to agreements to sell, see "Business- Land Reserves Table" on page 48 of this RHP.

15. ***Failure to obtain title to lands for which we have entered into purchase agreements may adversely affect our business prospects, financial condition and results of operations.***

We have entered into purchase agreements with various third parties to acquire lands from them. In exchange for monies paid to them, these third parties will convey title to these properties to us. In the event that any of these third parties fails to convey title to us, we may lose all or part of the money paid to such third party. Additionally, we may no longer be able to develop a project for which design and planning exercises have already commenced. Consequently, our inability to obtain title to any of these lands may adversely affect our business prospects, financial condition and results of operations. For further details on land subject to purchase agreements see "Business - Land Reserves Table" on page 48 of the RHP.

16. ***Our ability to acquire lands depends on our ability to have a power of attorney executed in favour of persons nominated by us in relation to the lands we propose to acquire.***

Our land acquisition process often involves a person designated by us negotiating with the owners of the land on our behalf. The owners typically execute a power of attorney in favour of our nominee. This process is undertaken to ensure that the land owners will not dispose of the lands in favour of anyone else. The inability of our nominees to convince the land owners to execute the power of attorney may result in our inability to acquire the lands. Furthermore, even if a land owner executes a power of attorney in favour of our designee, we may be unable to acquire the lands if the designee or the land owner disposes of such land in favour of anyone else. For further details on our land reserves, see “Business - Our Land Reserves” and “Business - Land Reserves Table” on page 47 and 48 respectively, of this RHP.

17. ***We undertake some of our projects through joint development with third parties, which entails certain risks.***

At present one of our projects is a joint development project conducted with a third party as an Association of Persons. Under the arrangement with the other party, the other third party is obligated to provide the property to be developed free of all encumbrances and retains the title to the land, while we act as developer of the land. As such, the other party assumes all obligations and risks related to providing land free from all encumbrances for the project, including the risks related to acquiring land and obtaining title for the land. We assume all other obligations and risks related to the development, construction, marketing and sale of the project described in this “Risk Factors” section of this Red Herring Prospectus. Moreover, if there is any defect in the other party’s title to the land provided by the other party for this project, we may no longer be able to complete this project for which development has already commenced or the development may be delayed pending resolution of any title issues. Also, if we are not able to complete the construction and development of this project, we may not be able to recover the advances and construction and development expenses that have been incurred by us. Consequently, a defect in the other party’s title to the land provided for this project may adversely affect our business prospects, financial condition and results of operations.

Additionally, if we breach any of our obligations under the joint development arrangement, including those relating to the operation and management of the development and construction of the project, we may be liable to the other party for such breach, which in turn could adversely affect our financial condition and results of operation. For further details on land subject to joint development arrangements, see “Business- Land Reserves Table” on page 48 of this RHP.

18. ***We undertake some of our projects in joint ventures with third parties, which entails certain risks.***

At present, some of our projects are developed through joint ventures with real estate development funds. Project developed through joint ventures are subject to the same land acquisition, title, development, construction, marketing and sales risk undertaken by us. To the extent of any liability or losses incurred by a joint venture resulting from the realization of any of the risks described in this “Risk Factors” section of this Red Herring Prospectus, our share of the liability or losses incurred would be proportionate to our equity interest in the relevant joint venture. Our equity interests in our joint venture entities that are fully formed range from 37% to 57.95%.

Additionally, if a joint venture partner fails to meet their financial obligations on time or at all, we may no longer be able to complete a project or the development may be delayed pending receipt of the necessary funding. Such a situation may adversely affect our business prospects, financial condition and results of operations.

Moreover, if we breach any of our obligations under any joint venture agreement, including those relating to providing funding to the joint venture, operating and managing the joint venture, and developing and constructing the project, we may be liable to the other party for such breach, which in turn could adversely affect our financial condition and results of operation. Further, if we commit an event of default under any of our joint venture agreements, the other party may be able to effect a change of control of the joint venture, change the business plan and/or change management of the joint venture.

In addition, joint venture partners may have business interests or goals that are inconsistent with our business interests or goals, or those of our shareholders. Such investments may also run the potential risk of impasses on certain key decisions. Any disputes that may arise between us and our joint venture partners may cause delays in completion, suspension or even the complete abandonment of the project.

Furthermore, while we are generally empowered to make all operating decisions for development of these projects, we are required to make certain decisions in consultation with joint venture partners. This may limit our flexibility to make decisions (including those pertaining to development and marketing) in relation to such projects, and may result in delays to projects and adverse effects on our results. For further details on our joint ventures, see page 69 in the section entitled "History and Other Corporate Matters" in this RHP.

19. If problems arise in our relationship with the financial institution that currently invests with us, our business may suffer.

Recently, in regard to three of our larger projects, we have entered into joint venture arrangements with investment funds that are sponsored by an Indian financial institution. In these projects, we act as an investor, developer, and project manager and the investment funds act as solely investors. Neither the investment funds nor the financial institution that sponsors them have any material role with respect to the operations of these joint ventures. If these ventures do not proceed smoothly or if our relationship with this financial institution sours, we may have to raise financing for projects at alternative rates and terms, which may adversely affect our business or results of operations.

20. The total saleable area with respect to our current projects is based on existing land use regulations and on management estimates.

The total saleable area data, presented in terms of square footage, in respect of our current projects has been estimated by us on the basis of current central and state government regulations pertaining to land use. See the section titled "Regulations and Policies" at page 58 of this Red Herring Prospectus. Any change in these regulations require us to make changes in the estimated saleable area, including a possible reduction in total saleable area, so as to remain in compliance with the land use regulations. Such changes could adversely impact our results of operations.

Management estimates with respect to saleable area necessarily contain assumptions that may not prove to be correct. To the extent our saleable area data may overstate our actual saleable data, our results may fail to meet expectations and our share price and business could suffer.

21. Some of our projects are in the preliminary stages of planning, and may not receive timely approvals.

Some of our projects are in the preliminary stages of planning and development and we have not yet applied for approvals with respect to them, including for the conversion of land use. See the table of our proposed projects in the section entitled "Business – Our Ongoing and Proposed Projects" at page 44 of this Red Herring Prospectus. Our definitive building and layout plans in relation to these intended projects are yet to be finalized and approved.

We require statutory and regulatory approvals and permits for us to execute our projects, and applications need to be made at appropriate stages for such approvals. For a description of the statutory and regulatory approvals and permits that we are required to obtain to execute our projects, see the section entitled "Government/Statutory and Other Approvals" beginning on page 202 of this Red Herring Prospectus. We cannot assure you that we will receive these approvals on time, at all or in accordance with our current plans.

While we believe that we will be able to obtain such approvals or permits at such times as may be required, there can be no assurance that the relevant authorities will issue any such permits or approvals in the time frames anticipated by us or at all. Any delay or failure to obtain the required permits or approvals in accordance with our current plans may impede the execution of our business plans and projects. If, as a result of any delay or failure to obtain required permits or approvals, we are unable to use the net proceeds of this Issue as described in this Red Herring Prospectus, we will, with the approval of the shareholders of the Company, deploy the funds for other business purposes, including towards the purchase of additional lands, construction of projects, repayment of loans or general corporate purposes. See the section entitled "Objects of the Issue" at page 21 of this Red Herring Prospectus.

22. Our revenues and profits may fluctuate greatly due to long lead times in the development of projects and because of various factors that may affect sales revenue. This may lead to volatility in our share price. In addition, we may be having a high growth period now that we will not be able to replicate in the future.

Revenue and expenses for a long-term project are not recognized until the accounting period in which the sale is completed. As a result, there may be a long lead time in the development of a project to the point where revenue and expenses are recognized. This may lead to large period-to-period fluctuations in recognized income because the number of projects for which we recognize income can vary widely from period to period. Additionally, sales revenues are dependent on various factors such as the size of our developments and general market conditions. In addition, we may be having a high growth period now that we will not be able to replicate in the future because of a decline in development opportunities. These factors may also result in significant variations in our revenues and profits. Therefore, period-to-period comparisons of our results of operations may vary significantly. If in the future our results of operations are below market expectations, the price of our Equity Shares could decline.

23. ***Our industry is competitive and increased competitive pressure may adversely affect our results.***

We face significant competition from other entities engaged in the real estate development business, many of which undertake projects similar to ours in the same regional markets in which our projects are located. A number of our competitors may be larger and better placed to take advantage of efficiencies created by size, may have better financial resources or greater access to capital at lower costs and may be better known in regional markets in which we compete. Furthermore, we are currently able to develop IT parks under a regulatory scheme that provides for tax exemptions on such projects, but this scheme is set to expire in 2009. Our inability to compete successfully in our industry for any of these reasons would materially affect our business prospects and financial condition.

24. ***If we are unable to manage our growth, our business, results and financial condition could be adversely affected.***

We are growing our current business as well as diversifying into new areas. Such a growth strategy will place significant demands on our management as well as on our financial, accounting and operating systems. Further, as we scale up, we may not be able to execute our projects efficiently, which could result in delays, increased costs and diminished quality. In turn our reputation may be adversely affected.

25. ***Our growth requires additional capital, which may not be available on competitive terms.***

The real estate development industry is capital intensive and requires significant expenditures for land acquisition, development and construction. In Fiscal 2007 we incurred finance charges of Rs. 39.25 million. As of March 31, 2007, we had outstanding borrowings (secured and unsecured) of Rs. 859.98 million and capital expenditures (net of advances) of Rs. 36.58 million. We anticipate that from time to time we will have to obtain additional financing to fund our operations. We may not be successful in obtaining additional funds in a timely manner, on competitive terms or at all. Moreover, certain of our loan documents contain provisions that constrain our ability to act, and in particular limit our ability to incur future debt. In addition, if the availability of borrowed funds for our business were to decrease, our lenders might require us to invest increased amounts of equity in a project in connection with both new loans and the extension of facilities under existing loans. If we do not have access to additional capital, we may be required to delay, scale back or abandon some or all of our acquisition plans or growth strategies or reduce capital expenditures and the size of our operations.

26. ***Significant increases in prices or shortages of building materials could harm our results of operations.***

Our business is affected by the availability, cost and quality of the raw materials we need to construct and develop our properties. Our principal raw materials include steel, cement, wood, sand, glass and aluminium. The prices and supply of these and other raw materials depend on factors not under our control, including general economic conditions, competition, production levels, transportation costs and import duties. If, for any reason, we are unable to obtain such raw materials to us in the quantities we need and at prices that are competitive, our ability to meet our material requirements for our projects could be impaired, our construction schedules could be disrupted and we may not be able to complete our projects as per schedule. We may also not be able to pass on any increase in the prices of these building materials to our customers. This could affect our results of operations and impact our financial condition.

27. ***We are dependent on our managing and executive directors and senior management team and the loss of key members or failure to attract skilled personnel may adversely affect our business.***

We believe we have a team of professionals to effectively oversee the operations and growth of our business. Our success is substantially dependent on the expertise and services of our Directors led by our Chairman and Managing Director, Mr. Rajesh Patil, and our Joint Managing Director, Mr. Naresh Patil, our Executive Director, Mr. Milind Kolte, and our senior management team. While we maintain a key man insurance policy for Mr. Rajesh Patil, Chairman and Managing Director, and Mr. Milind Kolte, Executive Director, for an amount of

Rs. 5.00 million each, we do not maintain key man insurance policies for any of the other Directors, senior members of our management team or other key personnel. Even though we have made substantial grants of stock options to our key personnel as part of our retention strategy, we cannot assure you that we will be able to retain any or all of the key members of our management. The loss of the services of such key members of our management team could have an adverse effect on our business and the results of our operations.

Further, our ability to maintain our position in the real estate development sector depends on our ability to attract, train, motivate, and retain skilled personnel. In the event we are unable to do so, there could be a short-term adverse effect on our business and results of operations. For further details of our senior management team, see the section titled "Our Management" beginning on page 73 of this Red Herring Prospectus.

28. The hospitality industry is highly competitive, and we are subject to risks relating to competition that may adversely affect our performance.

We recently agreed to enter into a joint venture to undertake the development of hotel properties. We plan to retain such developed hotel properties and operate them through a hospitality management company to be set up and controlled by us. If we cannot compete effectively in the highly competitive hospitality industry, we may not be able to sustain a profitable hospitality business, which would adversely affect our performance. Our success depends, in large part, upon our ability to compete effectively in markets that contain numerous competitors, some of which may have significantly greater financial, marketing and other resources than we have.

Competition from other hotel operators involves not only the quality of hotel room, restaurant, entertainment and convention facilities, but also hotel room, food and beverage prices. Our operating results can be adversely affected by significant cash outlays for advertising and promotions and complimentary services to patrons, the amount and timing of which are partially dictated by the policies of our competitors and our efforts to keep pace with them. If our operating revenues are insufficient to allow management the flexibility to match the promotions of competitors, the number of our guests may decline, which may have an adverse effect on our financial performance.

Our ability to successfully compete will also be dependent upon our ability to develop and implement strong and effective marketing campaigns both at our individual hotel properties and across our business. To the extent we are unable to successfully develop and implement these types of marketing initiatives, we may not be successful in competing in our markets and our financial position could be adversely affected.

29. We are required to register under the Contract Labour (Regulation and Abolition) Act, 1970 (the "CLA") and the Building and Other Construction Workers (Regulation of Employment and Conditions of Service) Act, 1996.

In order to engage contract labourers for projects sites we are required to register under the Contract Labour (Regulation and Abolition) Act, 1970 and the Building and Other Construction Workers (Regulation of Employment and Conditions of Service) Act, 1996 (the "Building Construction Workers Act"). We do not have registrations under the Building Construction Workers Act. As a result, we may be subject to penalties, prosecutions or other consequences for our failure to register under the Building Construction Workers Act. Upon registration under the Building Construction Workers Act, we will be required to comply with certain labour welfare measures.

No employer that is required to be registered under the Building Construction Workers Act may employ building workers on a project if such employer is not registered under the Building Construction Workers Act. Contravention of any rules made for the safety and health of building and other construction workers is punishable by either imprisonment for up to 3 months, a fine of up to Rs. 2,000 or both. Continuing contravention is punishable with an additional fine of up to Rs. 100 for every day during which such contravention continues after conviction for the first such contravention. If any person who has been previously convicted of any offence under the Building Construction Workers Act is found guilty of a contravention or failure to comply with the same provision again, he shall be punished upon a subsequent conviction with either imprisonment for up to six months, a fine of Rs. 500 to Rs. 2000 or with both. Failure to give notice of commencement of building or other construction work is punishable with imprisonment for up to three months, a fine of up to Rs. 2,000 rupees, or both.

30. Our business is subject to extensive statutory and governmental regulations.

Acquisition of land and development rights in relation to immovable properties are governed by certain statutory and governmental regulations, which regulate various aspects, including requirements for transaction documents, payment of stamp duty, registration of property documents, purchase of property for the benefit of others, limitation on land acquisition by an individual entity and rehabilitation of displaced persons. We are also subject to the land ceiling act that regulates the amount of land that may be held by an individual owner.

We are subject to extensive local, state and central laws, including the policies and procedures established by local authorities to implement such laws and regulations, that govern the acquisition, construction and development of land, including laws and regulations related to zoning, permitted land uses, proportion and use of open spaces, building designs, fire safety standards, height of the buildings, access to water and other utilities and water and waste disposal.

Also, we and our subcontractors are subject to laws and regulations relating to, among other things, environmental approvals in respect of projects, minimum wages, working hours, health and safety of labourers and requirements of registration for contract labour. In some of our markets, we are required to give commitments to provide certain infrastructure, such as roads and sewage systems, which may require us to comply with certain additional regulations.

Although we believe that our projects are in material compliance with such laws and regulations, we cannot assure you that we will not be subjected to any such regulatory action in the future, including penalties, seizure of land and other civil or criminal proceedings.

For further details on the above matters, see "Regulation and Policies" beginning on page 58 of this Red Herring Prospectus and "Government/Statutory and Other Approvals" beginning on page 202 of this Red Herring Prospectus.

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

Our insurance policies cover certain risks in respect of physical loss and damage, business interruption, personnel-related risks and motor vehicle risks, but in general we do not insure ourselves against losses in respect of our ongoing construction projects. Our contractors typically indemnify us against losses arising from physical harms suffered on our construction sites, but payment under such indemnities is not always made or easily enforced.

There can be no assurance that we have taken out sufficient insurance to cover material losses or claims, or that any claim under our insurance policies will be honoured fully, in part or on time. For more details, see "Our Business-Insurance" on page 56 of this Red Herring Prospectus. To the extent that we suffer loss or damage (i) for which we did not obtain or maintain insurance, (ii) that is not covered by insurance or (iii) that exceeds our insurance coverage, the loss would have to be borne by us and our results of operations and financial performance could be adversely affected.

32. ***We are dependent on various suppliers.***

We rely on suppliers to provide us with many of the products we use in the construction of our projects. We use various suppliers and such supplies are not concentrated either geographically or numerically. We do not have direct control over the quality of such products manufactured or supplied by such third party suppliers and we are exposed to risks relating to the quality of such products. If some of these third parties do not timely or satisfactorily complete our orders, our reputation and results of operations could be adversely affected due to delay in the execution of projects and we may not be able to recover from these third parties any losses arising from their delayed or poor performance or their non-performance.

33. ***The Government may exercise rights of compulsory purchase or eminent domain in respect of lands to obtain land for the development of infrastructure projects.***

With the active support of the central and state governments, India's infrastructure has experienced rapid growth in recent years. Because of this growth, there is an increased likelihood that central and state governments will actively seek to acquire land for the development of roads and infrastructure. The Land Acquisition Act, 1894 allows the central and the state governments to exercise rights of compulsory purchase or eminent domain, which, if used in respect of our land or land in which we have development rights or which are under development by our joint ventures, could require us to relinquish such land with minimal compensation.

34. ***Our indebtedness and the conditions and restrictions imposed by our financing arrangements could adversely affect our ability to conduct our business and operations.***

We have entered into agreements with certain banks and financial institutions for short-term and long-term borrowings. Some of these agreements contain restrictive covenants, including, but not limited to, requirements that we obtain written consent from lenders prior to issuing new shares, incurring further debt, creating further encumbrances on our assets, disposing of assets outside the ordinary course of business, effecting any scheme of amalgamation or restructuring, undertaking guarantee obligations, declaring dividends, incurring capital expenditures beyond certain limits, undertaking new projects or making investments, which could be interpreted to include investments in special purpose vehicles. Certain restrictive covenants may also authorize lenders to nominate Directors to our Board. In addition, some of our loan agreements contain financial covenants that require us to maintain, among other things, a specified net-worth-to-assets ratio, debt-service-cover ratio and fixed-asset-coverage-ratio. We may also be required to maintain security coverage. There can be no assurance that we will be able to comply with these financial or other covenants or that we will be able to obtain the consents necessary to take the actions we believe are required to operate and grow our business. Certain of our loans may be called at any time by our lenders pursuant to terms of the relevant agreements. Furthermore, a default on some of our loans may also trigger cross-defaults under some of our other loan agreements. An event of default under any debt instrument, if not cured or waived, could have a material adverse effect on us.

Additionally, many of our loans are secured by mortgages on lands to which we have development rights or title. In the event of a default by us on any of our loans that are secured by a mortgage, the lender would be able to, among other things, take possession of such land or invoke any legal remedies available to dispossess us of the property. If we lose possession or clear title to these lands and are unable to develop such lands, our financial condition and results of operations may be adversely affected.

We cannot assure you that our business will generate sufficient cash to enable us to service our debt or to fund our other liquidity needs. In addition, we may need to refinance all or a portion of our debt on or before maturity. We cannot assure you that we will be able to refinance any of our debt on commercially reasonable terms or at all.

35. ***Our inventory levels are not subjected to audit tests by our outside auditors.***

Our inventories comprise property under construction (work-in-progress) and properties constructed that remain unsold. Work-in-progress comprises cost of land, development rights and transferable development rights, cost of construction/development, cost of materials and services and other expenses related to projects under construction and completed units that remain unsold. Inventories are reflected in our balance sheets as “stock in trade” and included in the line item “other current assets”. Stock in trade represents generally the largest asset item on our balance sheet.

The inventory levels set forth in our audited and restated financial statements and the notes and schedules thereto are based on certifications as to the state of completion of projects by Company engineers. Outside auditors rely on these certifications as to the state of completion of projects, the amounts of raw materials on our construction sites or other inventory amounts. The Company believes it maintains effective internal control processes for determining the state of completion of projects and checking raw materials inventories and other inventory amounts.

36. ***We have not obtained any third party appraisals for our projects.***

Our funding requirements and the deployment of the proceeds of the Issue are based on management estimates and have not been appraised by any bank or financial institution. These are based on current conditions and are subject to changes in external circumstances or costs, or in other financial condition, business or strategy, as discussed further below. Based on the competitive nature of the environment, we may have to revise our management estimates from time to time and consequently our funding requirements may also change. Our management estimates for the projects may exceed fair market value or the value that would have been determined by third party appraisals, which may require us to reschedule or reallocate our project expenditure and may have an adverse impact on our business, financial condition and results of operations.

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

Our contingent liabilities as of March 31, 2007 were as follows:

	Unconsolidated				**Consolidated**
	Fiscal				
Contingent liabilities not provided for	**2004**	**2005**	**2006**	**2007**	**2007**
	(Rs. Million)				
Claims against the Company not acknowledged as debts	–	–	–	–	–
Our share of income tax liability of Ankit Enterprises	–	–	9.59	15.71	15.71

38. ***Our Promoters will continue to retain majority control over the Company after the Issue, which will allow them to influence the outcome of Company matters. Their interests may not always coincide with the interests of other Company shareholders.***

Upon completion of the Issue, our Promoters will beneficially own approximately 75% of our post-Issue Equity Share capital. As a result, our Promoters will have the ability to exercise significant influence over all matters requiring shareholders' approval, including the election of Directors and the approval of significant corporate transactions. The Promoters will also have an effective veto power with respect to any shareholder action or approval requiring a majority vote. Our Promoters may not always exercise their control in ways that coincide with the interests of other Company shareholders. In addition, our Promoters may become aware of real estate development business opportunities that they choose not to bring to the attention of the Company. Moreover, the concentration of ownership with our Promoters may also have the effect of delaying, preventing or deterring a change in control.

39. ***We have issued Equity Shares at prices that may be lower than the Issue Price in the last 12 months.***

We have issued Equity Shares during the last 12 months at a price that may be lower than the Issue Price to our Promoters and persons forming part of the Promoter Group, as detailed hereinunder:

Date of allotment of our Equity Shares	No. of Equity Shares	Face Value (Rs.)	Issue Price (Rs.)	Nature of Payment	Reasons for allotment	Cumulative Issued Capital	Cumulative Share Premium (Rs. in Million)
8-Dec-06	2,19,02,252	10	-	-	Bonus Issue to certain shareholders in the ratio of 1:4	27,37,78,150	
8-Dec-06	2,88,72,185	10	28.18	Cash	Rights Issue to certain shareholders	56,25,00,000	524.89

For further details of such issuances, please refer to the section titled "Capital Structure" beginning on page 14 of this Red Herring Prospectus.

40. ***Future issuance of Equity Shares or sales of Equity Shares by members of our Promoter group may adversely affect the market price of our Equity Shares.***

Any future issuance of our Equity Shares may dilute the positions of investors in our Equity Shares, which could adversely affect the market price of our Equity Shares. Additionally, sales of a large number of our Equity Shares by the members of our Promoter group could adversely affect the market price of our Equity Shares. The perception that any such primary or secondary sale may occur also could adversely affect the market price of our Equity Shares.

41. ***Certain entities forming part of our Promoter Group have incurred losses in the past.***

Some of our Promoter Group companies have incurred losses in recent years, as set forth in the table below:

(in rupees)

Name of the Company	Profit/Loss after Tax		
	March 31, 2007	March 31, 2006	March 31, 2005
Patil Developers Private Limited	94,076	(3,922)	(550)
Sylvan Acres Realty Private Limited	(145,871)	–	–
Kolte Patil Enterprises	2,489,470	(696,882)	124,082

For a detailed description of our Promoter Group companies, please see the section entitled "Our Promoters and Promoter Group Companies" on page 83 of this Red Herring Prospectus.

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

Our business model involves entering into certain related party transactions. We have entered into certain related party transactions with our Promoters, Directors, Promoter group entities and key managerial personnel. For further details, refer to the section titled "Financial Statements - Related Party Transactions" on page 126 of this Red Herring Prospectus.

43. *We do not have intellectual property rights for the "Kolte Patil Trademark"*

We use the "Kolte Patil" trademark and its associated logos in our business operations. On September 27, 2007, we made an application to the Registrar of Trade Marks with respect to the "Kolte Patil" trademark under the Trademarks Act of 1999, as amended. There can be no assurance whether or when the registration of this trademark will be granted by the relevant authorities. As we do not have a registered trademark in our corporate logo, we do not enjoy the statutory protections accorded to a registered trademark and cannot prohibit the unauthorized use of such logo by third parties by means of statutory protection.

B. External Risk Factors

1. *A slowdown in economic growth in India or in our geographic area could cause our business to suffer.*

Our performance and the quality and growth of our assets are necessarily dependent on the health of the overall Indian economy and the local economies in which we build our projects, such as Pune and Bangalore. A slowdown in the Indian economy could adversely affect our business. India's economy could be adversely affected by a general rise in interest rates, weather conditions adversely affecting agriculture, commodity and energy prices, protectionist efforts in other countries or various other factors. In addition, the Indian economy is in a state of transition. The share of the services sector of the economy is rising while that of the industrial, manufacturing and agricultural sectors is declining. Furthermore, significant shortages in the supply of crude oil or natural gas could adversely affect the Indian economy, which could adversely affect us. It is difficult to gauge the impact of these fundamental economic changes on our business. Any slowdown in the Indian economy or the economy of Pune or Bangalore, or future volatility in global commodity prices, could adversely affect our business.

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

Any adverse revisions to India's credit ratings for domestic and international debt by international rating agencies may adversely impact our ability to raise additional financing, and the interest rates and other commercial terms at which such additional financing may be available. This could have an adverse effect on our business and future financial performance, our ability to obtain financing for capital expenditures and the trading price of our Equity Shares.

3. *After this Issue, the price of Equity Shares may be highly volatile, or an active trading market for the Equity Shares may not develop.*

The prices of the Equity Shares on the Indian stock exchanges may fluctuate after this Issue as a result of several factors, including: volatility in the Indian and global securities market; our operations and performance; performance of our competitors; the perception in the market with respect to investments in the real estate sector; adverse media reports about us or the Indian real estate sector; changes in the estimates of our performance or recommendations by financial analysts; significant developments in India's economic liberalisation and deregulation policies; and significant developments in India's Fiscal regulations. There has been no public market for the Equity Shares and the prices of the Equity Shares may fluctuate after this Issue. There can be no assurance that an active trading market for the Equity Shares will develop or be sustained after this Issue, or that the prices at which the Equity Shares are initially traded will correspond to the prices at which the Equity Shares will trade in the market subsequent to this Issue.

4. *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.*

Following the Issue, we will be subject to a daily "circuit breaker" imposed by all stock exchanges in India, which does not allow transactions beyond specified increases or decreases in the price of the Equity Shares. This circuit breaker operates independently of the index-based, market-wide circuit breakers generally imposed by SEBI on Indian stock exchanges. The percentage limit on our circuit breakers will be set by the stock exchanges based on the historical volatility in the price and trading volume of the Equity Shares.

The stock exchanges will not inform us of the percentage limit of the circuit breaker in effect from time to time and may change it without our knowledge. This circuit breaker will limit the upward and downward movements in the price of the Equity Shares. As a result of this circuit breaker, no assurance may be given regarding your ability to sell your Equity Shares or the price at which you may be able to sell your Equity Shares at any particular time.

5. ***There is no guarantee that the Equity Shares will be listed on the BSE and the NSE in a timely manner or at all, and any trading closures at the BSE and the NSE may adversely affect the trading price of our Equity Shares.***

   In accordance with Indian law and practice, permission for listing of the Equity Shares will not be granted until after those Equity Shares have been issued and allotted. Approval will require all other relevant documents authorizing the issuing of Equity Shares to be submitted. There could be a failure or delay in listing the Equity Shares on the BSE and the NSE. Any failure or delay in obtaining the approval would restrict your ability to dispose of your Equity Shares.

   The regulation and monitoring of Indian securities markets and the activities of investors, brokers and other participants differ, in some cases significantly, from those in Europe and the U.S. The BSE and the NSE have in the past experienced problems, including temporary exchange closures, broker defaults, settlements delays and strikes by brokerage firm employees, which, if continuing or recurring, could affect the market price and liquidity of the securities of Indian companies, including the Equity Shares, in both domestic and international markets. A closure of, or trading stoppage on, either of the BSE and the NSE could adversely affect the trading price of the Equity Shares.

6. ***Political instability or changes in the government could delay the liberalization of the Indian economy and adversely affect economic conditions in India generally, which could impact our financial results and prospects.***

   Since 1991, successive Indian governments have pursued policies of economic liberalization, including significantly relaxing restrictions on the private sector. Nevertheless, the role of the Indian central and state governments in the Indian economy as producers, consumers and regulators has remained significant. The leadership of India has changed many times since 1996. The current central government, which came to power in May 2004, is headed by the Indian National Congress and is a coalition of several political parties. Although the current government has announced policies and taken initiatives that support the economic liberalization policies that have been pursued by previous governments, the rate of economic liberalization could change, and specific laws and policies affecting real estate, foreign investment and other matters affecting investment in our securities could change as well.

7. ***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, make travel and other services more difficult and ultimately adversely affect our business. In addition, any deterioration in relations between India and Pakistan 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 recent years and it is possible that future civil unrest as well as other adverse social, economic and political events in India could have a negative impact 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 impact on our business and the price of our Equity Shares.

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

   India has experienced natural calamities such as earthquakes, a tsunami, floods and drought in the past few years.

   The extent and severity of these natural disasters determine their impact on the Indian economy. For example, as a result of drought conditions in the country during Fiscal 2003, the agricultural sector recorded a negative growth of 5.2%. The erratic progress of the monsoon in 2004 affected sowing operations for certain crops. Further prolonged spells of below normal rainfall or other natural calamities could have a negative impact on the Indian economy, adversely affecting our business and the price of our Equity Shares.

Notes to Risk Factors:

- Public Issue of 19,000,836 Equity Shares of Rs. 10/- each for cash at an Issue Price of Rs. [●] per Equity Share aggregating to Rs. [●] million (the "Issue") by the Company. The Issue comprises a net issue to the public of up to 18,812,709 Equity Shares of Rs. 10/- each aggregating to Rs. [●] million ("the Net Issue") and a reservation of up to 188,127 Equity Shares of Rs. 10/- each aggregating to Rs. [●] million for subscription by Employees (as defined herein) (the "Employee Reservation Portion"), at the Issue Price. The Issue will constitute 25.25% of the post-issue equity share capital of our Company.
- The net worth of the Company before the Issue (as of March 31, 2007) was Rs. 1,813.18 million, as per our restated consolidated financial statements included in this Red Herring Prospectus.
- The net asset value per Equity Share of Rs.10 each (as of March 31, 2007) was Rs. 32.11.
- The average cost of acquisition of one Equity Share for the Promoters is as follows:

Name of the Promoter	Average Cost of Acquisition (Rs.)
Rajesh Patil	15.44
Naresh Patil	15.44
Milind Kolte	15.44

  The average cost of acquisition of one Equity Share for each of the Promoters has been calculated by taking the average of the amount paid by him to acquire the Equity Shares issued by us, including bonus shares.
- The Issue is being made through the 100% Book Building Process wherein not more than 50% of the Issue shall be allotted to Qualified Institutional Buyers on a proportionate basis, out of which 5% shall be available for allocation on a proportionate basis to Mutual Funds only. The remainder shall be available for allotment on a proportionate basis to QIBs and Mutual Funds, subject to valid bids being received from them at or above the Issue Price. Further, not less than 15% of the Issue would be allocated to Non-Institutional Bidders and not less than 35% of the Issue would be allocated to Retail Individual Bidders on a proportionate basis, subject to valid bids being received from them at or above the Issue Price.
- Except as disclosed in the section entitled "Capital Structure" beginning on page 14 of this Red Herring Prospectus, we have not issued any shares for consideration other than cash.
- We have allotted 21,902,252 Equity Shares to our existing shareholders pursuant to bonus issues on December 8, 2006. For further details, refer to the section entitled "Capital Structure" beginning on page 14 of this Red Herring Prospectus.
- Except as disclosed in the sections entitled "Our Promoters and Promoter Group Companies" or "Our Management" beginning on pages 83 and 73 of this Red Herring Prospectus, none of our Promoters, our Directors or our key managerial employees have any interest in the Company except (i) to the extent of remuneration and reimbursement of expenses and (ii) to the extent of the Equity Shares held by them or their relatives and associates or held by the companies, firms and trusts in which they are interested as directors, members, partners and/or trustees and to the extent of the benefits arising out of such shareholding.
- For related party transactions, please refer to the section entitled "Related Party Transactions" on page 100 of this Red Herring Prospectus.
- Investors are advised to refer to the section entitled "Basis for Issue Price" on page 25 of this Red Herring Prospectus before making an investment decision in respect of this Issue.
- Investors may note that in the case of over-subscription in the Issue, allotment to our Employees, Retail Individual Investors and QIBs shall be on a proportionate basis. For more information, please refer to the section entitled "Basis of Allotment or Allocation" on page 239 of this Red Herring Prospectus.

Investors may contact the BRLMs or the Compliance Officer for any complaints, information or clarifications pertaining to the Issue. For contact details of the BRLMs and the compliance officer, please refer to pages 8 and 7 of this Red Herring Prospectus.

SECTION III - INTRODUCTION

SUMMARY OF OUR BUSINESS, STRENGTHS AND STRATEGY

Business Overview

We are a real estate development company in India that develops and constructs properties mainly in Pune and also in Bangalore. Pune is the eighth largest city in India with a population of approximately 4.8 million, while Bangalore is the third largest city in India with a population of approximately 6.2 million.

As of September 30, 2007, we have developed and constructed 25 projects, including 22 in Pune and 3 in Bangalore, covering a total of approximately 4.01 million square feet of Saleable Area. Of these 25 projects, we have completed

- 16 residential complexes,
- 4 commercial complexes,
- 3 complexes designed for mixed residential & commercial use, and
- 2 information technology parks.

As of September 30, 2007, we are in the process of developing 28 projects, including 24 in Pune, and 4 in Bangalore. These projects are being developed

- with the aim of generating over 17.80 million square feet of Saleable Area on 21.61 million square feet of land area, and
- to include 5 IT parks, 11 commercial complexes, 10 residential complexes, 1 serviced apartment building and 1 integrated township.

Also, as of September 30, 2007, we owned, held development rights for or had signed memoranda of understanding to acquire or develop 21.58 million square feet of Saleable Area on 32.88 million square feet of Land Area.

Please refer to the section titled “Risk Factors” for risks associated with our properties.

We have been in the real estate development business since our incorporation in 1991. We received the Government of Maharashtra’s First Prize for “Best IT Infrastructure in the State of Maharashtra” for our GigaSpace IT Park project in Viman Nagar, Pune. We have been accredited in the real estate and construction industry with an ISO 9001 (2000 series) certification since May 2002.

For three of our larger projects, we have entered into joint venture agreements with funds managed by a real estate private equity fund in India, ICICI Venture Fund Management Company Ltd. (“ICICI Venture”). For these projects we have identified and acquired lands, invested equity, designed and conceptualized the projects and served as project manager and developer. Funds managed by ICICI Venture have provided equity and equity-linked financing for the projects. We have entered into a joint venture agreement with K2 Property Limited (a subsidiary of Yatra Capital Limited, a Jersey-based real estate fund) for the development of some of our properties. Such relationships provide us with the ability to capitalize quickly on new and bigger opportunities, raise equity and debt and undertake large-scale development projects.

In the last few years, the real estate development sector in India has shown a substantial increase in demand. With the prospect of continued future growth in the Indian economy, and the continued expansion of the Indian middle classes and Indian commerce, we believe that we are well positioned to continue to grow our revenues, our profits and our business.

Our Competitive Strengths

We believe that the following are the principal competitive strengths that have contributed to our current position in the real estate development sector:

We have a reputation for quality, design uniqueness and transparency.

We believe that we have developed a reputation with our customers in Pune and Bangalore and with investors in India and overseas for quality, design uniqueness, transparency in our dealings and the delivery of projects in a timely manner. We have been accredited in the real estate and construction industry with an ISO 9001 (2000 series) certification since May 2002. In August 2006 we received the Government of Maharashtra’s First Prize for “Best IT Infrastructure in the State of Maharashtra,” for our Giga Space IT Park project in Viman Nagar, Pune.

We have an ongoing relationship with a real estate private equity fund manager in India, which helps enable us to pursue large-scale development projects.

Recently, in regard to three of our larger projects, we have entered into separate joint ventures with funds managed by a real estate private equity fund in India, ICICI Venture. In these projects, we act as an investor, project manager and developer while ICICI Venture provides investment through equity and equity-linked instruments. Our ongoing relationship with ICICI Venture enables us to pursue larger projects such as IT parks, integrated townships and large-scale residential projects.

We have land reserves of approximately 32.88 million square feet and an ability to identify new projects.

An important element of our success is our acquisition of land in Pune and Bangalore. As of September 30, 2007, our land reserves included approximately 32.88 million square feet (approximately 755 acres) of estimated Developable Land Area in and around Pune and Bangalore. We actively attempt to identify and acquire land that may be available for sale in areas where our customers demand residential or commercial projects or where we foresee development in the future. We have the ability to assess the potential of a location, identify locations that are relatively underdeveloped and gain the first mover advantage in such locations at a reasonable cost.

We are managed by an experienced senior management team

We are managed by an experienced senior management team. Our technical team has experience in the design, engineering, marketing and construction of large-scale development projects. Furthermore, our senior management team, which is in charge of operations, finance, sales and marketing, business development and strategic planning, has more than 100 years of combined experience in the industry. The full-time employees in our wholly-owned subsidiary Regenesis Project Management Company Private Limited ("Regenesis") provide a variety of services for the group, including research on proposed project locations, project management and marketing.

We believe the quality of our management team have been instrumental in implementing our business strategies.

We have access to both an in-house marketing team and a network of real estate agents and brokers

We have an in-house sales and marketing team in our head office that interacts directly with customers and real estate investors. The marketing team specializes in the direct marketing of our IT projects. Additionally, we have an in-house land sourcing team that specializes in the sourcing of lands. We also have access to a network of real estate agents and brokers who not only source lands but also market our various projects. We believe that our sustained and structured marketing effort over the cycle of a project results in the broad exposure of our products to target audiences.

We have a diversified portfolio within the Pune real estate sector.

We have a diversified portfolio within the Pune real estate sector. Our commercial buildings are customized to cater to the demographics of the localities in which they have been constructed. We have developed residential complexes and an IT Park, and we are developing or planning new types of properties such as serviced apartment projects and integrated townships.

Our Strategy

We pursue the following strategies to increase our market share and to maintain our reputation for quality:

Diversify the portfolio of projects we undertake and our business activities.

We undertake a diverse range of projects. We position ourselves to capitalize on the opportunities generated by various sectors of the Indian economy. For example, we intend to undertake the development of serviced apartments complexes and IT parks and may undertake the development of hotel properties, with or without financial or strategic partners. We may retain such developed hotel properties and operate such properties through a hospitality management company to be set up and controlled by us.

Expand into emerging local markets across India.

While we plan to continue to develop projects in and around Pune and Bangalore, we also plan to target future investments in such high-growth markets as Hyderabad and Chennai. In recognition of the fact that a large percentage of the population of India is located in cities other than its largest cities, we also plan to expand to such locations as Nasik, Goa, Nagpur, Aurangabad and Mysore. Our strategy is to obtain an early mover advantage in these lesser developed cities and towns.

Cultivate long-term relationships with major financial institutions and others.

We cultivate long-term relationships with major financial institutions, real estate funds and individual investors as joint venture partners and co-investors in future projects. Entering into co-investor relationships with financial institutions and real estate funds provides a number of benefits, including a lower cost of funds; access to larger fund pools; improved sourcing capabilities; assistance in entering new markets; and access to the expertise and general manpower of the organization. The expertise and resources available to us as a result of such relationships improve our ability to assess the economic risks involved in potential deals and thereby allow us to make more informed investment decisions. India's financial institutions also maintain good standards of corporate governance and require the same from their partners.

Maintain our standards of quality.

We believe that the projects we develop are generally of quality and that we have a reputation for developing quality projects. We maintain our standards with respect to sourcing lands, designing and constructing projects, selecting subcontractors, purchasing supplies, hiring employees, being transparent in our dealings and delivering our projects on time. We believe that taking these steps enable us to maintain our reputation, which in turn contributes to the growth of the Company.

Recruit and retain qualified professionals.

Because we believe that our employees are key contributors to our business, we continue to focus on attracting, training, motivating and retaining skilled and experienced professionals in the real estate development industry. To accomplish this, we have decided to incentivize employees, including, in particular, employees of our wholly owned subsidiary Regenesis, by offering them stock options in the Company.

Industry Overview

For further details, refer to the section entitled "Industry" beginning on page 33 of this Red Herring Prospectus.

THE ISSUE

Equity Shares offered:	
Issue by our Company	19,000,836 Equity Shares
Of which:	
Employee Reservation Portion (1) (Allocation on a proportionate basis)	Upto 188,127 Equity Shares
Net Issue to the Public	18,812,709 Equity Shares
Qualified Institutional Buyers (QIBs) Portion (2) (Allocation on a proportionate basis) Out of which: a) Reservation for Mutual Funds b) Balance for all QIBs including Mutual Funds	Not more than 9,406,355 Equity Shares constituting 50% of the Net Issue 470,318 Equity Shares constituting 5% of the QIB portion 8,936,037 Equity Shares constituting balance of the QIB portion
Non Institutional Portion (3) (Allocation on a proportionate basis)	Atleast 2,821,906 Equity Shares constituting not less than 15% of the Issue
Retail Individual Portion (3) (Allocation on a proportionate basis)	Atleast 6,584,448 Equity Shares constituting not less than 35% of the Issue
Equity Shares outstanding prior to the Issue	56,250,000 Equity Shares
Equity Shares outstanding after the Issue	75,250,836 Equity shares
Use of Issue proceeds	Please refer to the section titled 'Objects of the Issue' on page 21 of this Red Herring Prospectus for additional information.

(1) Undersubscription, if any, in the Employee Reservation Portion will be added back to the Net Issue and the proportionate allocation of such Equity Shares will be at the sole discretion of our Company in consultation with the BRLMs

(2) Attention of all QIBs is required towards the following:

1. Once a QIB has applied for our issue, the QIB will not be allowed to withdraw the application, after the Bid Issue / Closing Date.

2. Each QIB including Mutual Funds will be required to deposit 10% margin money with application.

(3) Subject to valid Bids being received at or above the Issue Price, under subscription, if any, in any of the categories except the QIB category would be allowed to be met with spill over *inter se* from any other category, at the sole discretion of our Company in consultation with the BRLMs.

SUMMARY FINANCIAL INFORMATION

The following tables set forth certain summary financial data derived from our restated consolidated financial statements as of and for the three months ended June 30, 2007 and 2006 and fiscal year 2007 and from our restated unconsolidated financial statements as of and for fiscal years 2006, 2005 and 2004. These financial statements have been prepared in accordance with Indian GAAP, the Companies Act and the SEBI Guidelines. The restated financial statements have been restated as described in the auditors' report included therewith, in the section entitled "Financial Statements" beginning on page 103 of this Red Herring Prospectus. The summary financial data presented below should be read in conjunction with our financial statements and the notes thereto. Additionally, the summary financial data presented below should be read in conjunction with the section entitled "Management's Discussion and Analysis of Financial Condition and Results of Operations" beginning on page 175 of this Red Herring Prospectus, which includes period to period comparisons of the financial information presented below.

RESTATED SUMMARY STATEMENT OF ASSETS AND LIABILITIES

	Unconsolidated				Consolidated	
	March 31,				March 31,	June 30,
	2004	2005	2006	2007	2007	2007
	(Rs. million)					
Fixed Assets, Net Block	9.99	18.61	33.07	64.93	80.57	87.77
Investments	6.76	27.52	329.40	1,886.16	1,472.90	1,558.27
Other Current Assets	927.41	1,210.12	1,828.62	2,991.07	3,976.51	3,802.77
Sundry Debtors	6.89	6.55	4.29	11.96	16.69	114.04
Cash and Bank Balances	9.63	8.18	16.84	3.19	31.50	24.89
Loans and Advances	22.14	22.21	145.01	393.02	304.88	274.71
Total Assets	**982.82**	**1,293.19**	**2,357.23**	**5,350.33**	**5,883.05**	**5,862.45**
Secured Loans	183.93	204.70	284.93	724.98	797.53	740.79
Unsecured Loans	14.00	24.00	433.62	135.00	692.73	769.16
Deferred Tax Liabilities	0.00	0.00	0.53	1.32	1.65	1.72
Current Liabilities	642.56	897.17	1,441.82	2,398.13	2,282.02	1,909.12
Provisions	6.21	6.92	11.03	288.41	295.94	293.53
Total Liabilities and Provisions	**846.70**	**1,132.79**	**2,171.93**	**3,547.84**	**4,069.87**	**3,714.32**
Share Capital	54.76	54.76	54.76	562.50	562.50	562.50
Reserve and Surplus	81.39	105.64	130.54	1,244.13	1,245.09	1,583.84
Minority Interest	0.00	0.00	0.00	0.00	10.81	10.82
Less: Miscellaneous Expenditure	(0.03)	0.00	0.00	4.14	5.22	9.03
Net Worth	**136.12**	**160.40**	**185.30**	**1,802.49**	**1,813.18**	**2,148.13**

RESTATED SUMMARY STATEMENT OF PROFITS AND LOSSES

	Unconsolidated				**Consolidated**
	Year Ended March 31,				**Year Ended March 31,**
	2004	**2005**	**2006**	**2007**	**2007**
	Rs. Million	**Rs. Million**	**Rs. Million**	**Rs. Million**	**Rs. Million**
Income					
Income from Operations	210.91	305.36	531.13	2,293.68	2,302.83
Other Income	33.67	21.62	19.89	221.30	221.60
Total	**244.58**	**326.98**	**551.02**	**2,514.98**	**2,524.43**
Expenditure					
Cost of Construction/ Development	116.86	167.38	291.41	1,061.14	1,014.78
Personnel Expenses	47.72	82.95	139.36	157.99	207.14
Selling, General and Administrative Expenses	21.58	30.63	59.13	170.56	157.98
Financial Expenses	7.02	14.41	24.99	39.25	55.61
Depreciation	1.31	2.07	3.35	4.72	6.11
Total	**194.49**	**297.44**	**518.24**	**1,433.66**	**1,441.62**
Adjusted Profit Before Tax	**50.09**	**29.54**	**32.78**	**1,081.32**	**1,082.81**
Provision for Taxation	0.99	5.29	4.76	246.22	247.20
Adjusted Profit After Tax	**49.10**	**24.25**	**28.02**	**835.10**	**835.61**

	Unconsolidated		**Consolidated**	
	Three Months ended June 30,		**Three Months ended June 30,**	
	2006	**2007**	**2006**	**2007**
	Rs. Million	**Rs. Million**	**Rs. Million**	**Rs. Million**
Income				
Income from Operations	345.01	849.68	344.74	850.37
Other Income	14.52	39.21	14.52	39.28
Total	**359.53**	**888.89**	**359.26**	**889.65**
Expenditure				
Cost of Construction/ Development	182.21	460.00	182.21	434.84
Personnel Expenses	26.29	29.14	33.53	44.37
Selling, General and Administrative Expenses	44.03	43.04	35.74	45.83
Financial Expenses	5.82	12.38	5.86	17.19
Depreciation	1.03	1.55	1.28	1.99
Total	**259.38**	**546.11**	**258.62**	**544.22**
Adjusted Profit Before Tax	**100.15**	**342.78**	**100.64**	**345.43**
Provision for Taxation	6.75	5.65	6.92	6.67
Adjusted Profit After Tax	**93.40**	**337.13**	**93.72**	**338.76**

GENERAL INFORMATION

THE COMPANY

Our Company was originally incorporated under the Companies Act, 1956 as a private limited company in the name of Kolte-Patil Developers Private Limited, on November 25, 1991, in Jalgaon. The status of our Company was subsequently changed to a public limited company by a special resolution of the members of the Company passed at the EGM held on April 1, 1995 and consequently the name of our Company was changed to Kolte-Patil Developers Limited. The fresh certificate of incorporation consequent to the change in name was granted to our Company on May 9, 1995 by the Registrar of Companies.

REGISTERED OFFICE OF THE COMPANY

Kolte-Patil Developers Limited
2nd floor, City Point,
Dhole Patil Road,
Pune 411 001.
Maharashtra, India.
Tel No.:+ 91 20 6622 6500
Fax No.:+91 20 6622 6511
website: www.koltepatil.com;
E-mail: investorrelation@koltepatil.com

For details of changes in our incorporation, please refer to the section titled 'History and Other Corporate Matters' beginning on page 67 of this Red Herring Prospectus.

DETAILS OF REGISTRATION

CIN: U45200PN1991PLC129428

Address of the Registrar of Companies with which the Company is registered:

Registrar of Companies, Maharashtra
PMT Building, 3rd Floor, Deccan Gymkhana
Pune-411 004

BOARD OF DIRECTORS

Our current Board of Directors comprises of the following:

Sr. No.	Name	Designation	Status
1.	Mr. Rajesh Anirudha Patil	Chairman & Managing Director	Non-independent
2.	Mr. Milind Digambar Kolte	Executive Director	Non-independent
3.	Mr. Naresh Anirudha Patil	Joint Managing Director	Non-independent
4.	Mrs. Sunita Milind Kolte	Executive Director	Non-independent
5.	Mr. Manish U.Doshi	Director	Independent
6.	Mr. G.L.Vishwanath	Director	Independent
7.	Mr. Satish Tandon	Director	Independent
8.	Mr. Achyut Watve	Director	Independent

For details of our Board of Directors, please refer to the section titled 'Our Management' beginning from page 73 of this Red Herring Prospectus.

COMPLIANCE OFFICER AND COMPANY SECRETARY

Vinod Patil
2nd Floor, City Point, Dhole Patil Road, Pune-411 001
Tel No: +91 20 6622 6500
Fax No: +91 20 6622 6511
Email: investorrelation@koltepatil.com

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

BOOK RUNNING LEAD MANAGERS

DSP Merrill Lynch Limited
Mafatlal Centre, 10th Floor,
Nariman Point, Mumbai-400 021
Tel: + 91 22 2262 1071
Fax: + 91 22 2262 1187
E-mail: kpdl_ipo@ml.com
Website: www.dspml.com
Contact Person: Mr. N.S. Shekhar

Edelweiss Capital Limited
1st Floor, Mittal Chambers
Nariman Point, Mumbai-400 021, India.
Tel: +91 22 4086 3535
Fax: +91 22 2288 2119
Website : www.edelcap.com
E-mail: kpdl.ipo@edelcap.com
Contact person: Mr. Prem D'Cunha

DOMESTIC LEGAL ADVISOR TO THE COMPANY

Khaitan & Co.
Meher Chambers, 4th and 5th Floor
R.K. Marg, Ballard Estate
Mumbai–400 038
Tel.: +91 22 6636 5000
Fax : +91 22 6636 5050
Website: www.khaitanco.com
E-mail: bom@khaitanco.com

DOMESTIC LEGAL ADVISOR TO THE BRLMs

J. Sagar Associates
Advocates & Solicitors
Vakils House, 18,
Sprott Road, Ballard Estate,
Mumbai – 400 001
Tel.: +91 22 5656 1500
Fax : +91 22 5656 1515 / 16
Website: www.jsalaw.com
E-mail: mumbai@jsalaw.com

INTERNATIONAL LEGAL ADVISOR TO THE BRLMs

Dorsey & Whitney
21 Wilson Street
London EC2M 2TD
England
Tel: +44 20 7588 0800
Fax: +44 20 7588 0555
Website: www.dorsey.com

REGISTRAR TO THE ISSUE

Bigshare Services Private Limited
E/2 Ansa Industrial Estate
Saki Vihar Road, Saki Naka
Andheri East, Mumbai - 400 072
Telephone: + 91 22 2847 0652
Fax: +91 22 2847 5207
Email: ipo@bigshareonline.com
Website: www.bigshareonline.com

BANKERS TO OUR COMPANY

IDBI Bank Ltd. Mitramandal Chowk, Swargate, Pune – 411 009 Tel.: +91 20 2444 2959 Fax: +91 20 2444 5522 Email: swargate@uwbankindia.com	**Citibank N.A**. Kumar Capital, Pune Camp, Pune- 411 001 Tel.: +91 20 2633 1861/59 Fax: +91 20 2633 1861/59 Email: indiaservice@citicorp.com	**H.D.F.C. Bank Limited** 9/2, Kalpataru Gardens, Boat Club Road, Pune- 411 001 Tel.: +91 20 2643 5299 Fax: +91 20 2644 1197 Email:corporatecare@hdfc.com
ABN Amro Bank N.V. 327, Mahatma Gandhi Road, Pune Camp, Pune–411 001 Tel.: +91 20 2605 1713 Fax: +91 20 2605 1713 Email: vangoghpreferredbanking@ inabnamro.com	**Vijaya Bank** The Sovering, Kalayani Nagar, Pune – 411 006 Tel.: +91 20 2665 2894 Fax: +91 20 2447 8028 Email:pune.kalninagar@vijaybank.co.in	**ICICI Bank Limited** A Shangrila Gardens, Bund Garden, Pune- 411 001 Tel.: +91 20 2605 5372 Fax: +91 20 2612 8226 Email:corporatecare@icicibank.com
IDBI Bank Ltd. Gandhi Nagar, Opp. Puliani & Puliani Book House, Bangalore–560 009 Tel.: +91 80 2225 1416 Fax: +91 80 2225 6532 Email: uwb101bang@yahoo.co.in	**Citibank N.A.** Prestige Meridian, M. G. Road, Bangalore - 560 001 Tel.: +91 80 2227 2265 Fax: +91 80 2509 5339 Email: indiaservice@citicorp.com	**ICICI Bank Limited** Commissariat Road, Bangalore - 560 001 Tel.: +91 80 4128 7799 Fax: +91 80 4112 4607 Email:corporatecare@icicibank.com

SYNDICATE MEMBER

Edelweiss Securities Limited
1st Floor, Mittal Chambers
Nariman Point,
Mumbai-400 021, India.
Tel: +91 22 4086 3535
Fax: +91 22 2288 2119
Website: www.edelcap.com
E-mail: kpdl.ipo@edelcap.com
Contact person: Mr. Prem D'Cunha

BANKERS TO THE ISSUE AND ESCROW COLLECTION BANKERS

ICICI Bank Limited Capital Markets Division 30, Mumbai Samachar Marg, Mumbai – 400 001, India Tel: +91 22 2262 7600 Fax: +91 22 2261 1138	**HDFC Bank Limited** 4th Floor, Millennium Tower, 885/1, Bhandarkar Road, Pune – 411 004, India Tel: +91 20 2566 4229 Fax: +91 20 2565 0720	**Deutsche Bank AG** Kodak House, 222 Dr. D.N. Road, Fort, Mumbai – 400 001 Tel : +91 22 6658 4000 Fax: +91 22 2207 6553
Standard Chartered Bank 364-365, Shrirang House, Junglee Maharaj Road, Shivaji Nagar, Pune – 411 005, India Tel: +91 20 2553 0377 Fax: +91 20 2553 6313	**The Hongkong and Shanghai Banking Corporation Limited, (HSBC)** Amar Avinash Corporate City, Sector No. 11, Bund Garden Road, Pune - 411 001 Tel.: +91 20 6629 7832 Fax : +91 20 6629 7903	**Axis Bank Limited** Sai Capital, 2nd Floor, Senapati Bapat Marg, Pune – 411 016 Tel : +91 20 6622 0800 Fax : +91 20 6622 0862

REFUND BANKER TO THE ISSUE

HDFC Bank Limited 4th Floor, Millenium Town, 885/1, Bhandarkar Road, Pune- 411 004, India Tel: +91 20 2566 4229 Fax: +91 20 2565 0720	**Axis Bank Limited** Sai Capital, 2nd Floor, Senapati Bapat Marg Pune- 411 016 Tel : +91 20 6622 0800 Fax : +91 20 6622 0862

AUDITORS OF THE COMPANY

M/s. SPCM & Associates
(Formerly known as Bora Kasat & Co.)
Chartered Accountants,
1211B, Shukrawar Peth,
Subhashnagar, Lane 4
Pune - 411 002
Tel.: +91 2447 9119
Fax: +91 2448 6663
E-mail: bora_kasat@sify.com

STATEMENT OF INTER SE ALLOCATION OF RESPONSIBILITIES

The responsibilities and co-ordination roles for various activities in this IPO have been distributed amongst the Book Running Lead Managers (BRLMs) is as under:

Sr. No.	Activities	Responsibility	Co-ordinator
1.	Capital structuring with the relative components and formalities such as type of instruments etc.	DSPML,ECL	DSPML
2.	Due diligence of our Company's operations/ management/ business plans/ legal etc. Drafting and design of the Draft Red Herring Prospectus, Red Herring Prospectus, Prospectus and statutory advertisement including memorandum containing salient features of the Prospectus. The BRLMs shall ensure compliance with stipulated requirements and completion of prescribed formalities with the Stock Exchanges, RoC and SEBI including finalization of Prospectus and RoC filing of the same.	DSPML,ECL	DSPML
3.	Drafting and approval of all publicity material other than statutory advertisement as mentioned in (2) above including corporate advertisement, brochure, corporate films etc.	DSPML,ECL	ECL
4.	Appointment of intermediaries.	DSPML,ECL	DSPML
5.	Institutional marketing of the issue, which will cover, inter-alia - Preparing roadshow presentation and FAQs; - Finalising the list and division of investors for one-to-one meetings; and - Finalising roadshow schedule and investor meeting schedules	DSPML,ECL	DSPML
6.	Non-Institutional and Retail marketing of the Issue, which will cover, inter alia, - Formulating marketing strategies, preparation of publicity budget; - Finalizing Media and PR strategy; - Finalizing centres for holding conferences for brokers etc.; and - Finalizing collection centres; - Follow-up on distribution of publicity and Offer material including form, prospectus and deciding on the quantum of the Offer material - Co-ordination with Stock Exchanges for book building software, bidding terminals and mock trading,	DSPML,ECL	ECL
7.	Finalisation of Issue price in consultation with the Company.	DSPML,ECL	DSPML
8.	The post bidding activities including management of escrow accounts, intimation of allocation and dispatch of refunds to Bidders etc. The post Offer activities will involve essential follow up steps, which include the finalization of listing of instruments and dispatch of certificates and demat delivery of shares, with the various agencies connected with the work such as the Registrar to the Offer and Bankers to the Offer and the bank handling refund business. The merchant banker shall be responsible for ensuring that these agencies fulfil their functions and enable it to discharge this responsibility through suitable agreements with the Company.	DSPML,ECL	ECL

INITIAL PUBLIC OFFERING GRADING

Our Company has not opted for initial public offering grading in relation to this Issue of Equity Shares.

CREDIT RATING

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

TRUSTEES

As this is an issue of Equity Shares, appointment of Trustees is not required.

APPRAISING ENTITY

The proposed project has not been appraised by any agency and the cost of the project and means of finance are based on the estimates by our Company.

WITHDRAWAL OF THE ISSUE

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

BOOK BUILDING PROCESS

Book Building refers to the collection of Bids from investors, on the basis of this Red Herring Prospectus, with the Issue Price being finalized after the Bid/Issue Closing Date. The principal parties involved in the Book Building Process are:

1. The Company;
2. Book Running Lead Managers;
3. Syndicate Members who are intermediaries registered with SEBI or registered as brokers with the Stock Exchange(s) and eligible to act as underwriters. The BRLMs to appoint Syndicate Members;
4. Registar to the Issue;
5. Escrow Collection Bank(s); and
6. Refund Bank.

The SEBI Guidelines have permitted an issue of securities to the public through the 100% Book Building Process, wherein not more than 50% of the Net Issue to the public shall be allocated on a proportionate basis to QIBs (including 5% for the Mutual Funds). In case of under subscription, if any, in Mutual Fund category, the Equity Shares may be made available to QIBs. Further, not less than 15% of the Net Issue to the public shall be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 35% of the Net Issue to the public shall be available for allocation on a proportionate basis to Retail Individual Bidders, subject to valid Bids being received at or above the Issue Price.

In accordance with the SEBI Guidelines, QIBs are not allowed to withdraw their Bid(s) after the Bid/Issue Closing Date. In addition, QIBs are required to pay atleast 10% of the Bid Amount upon submission of the Bid cum Application Form during the Bid/Issue Period and allocation to QIBs will be on a proportionate basis. For further details, see the section entitled "Issue Procedure" at page 224 of this RHP.

Our Company will comply with the SEBI Guidelines for this Issue. In this regard, our Company has appointed the BRLMs to procure subscriptions to the Issue.

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

For more details, please refer to the section titled 'Terms of the Issue' beginning on page 221 of this Red Herring Prospectus.

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

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

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

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

Steps to be taken by the Bidders for bidding:

- Check eligiblility for making a bid;
- Bidder necessarily needs to have a demat account;
- Ensure that the Bid-cum-Application Form is duly completed as per instructions given in the Red Herring Prospectus and in the Bid-cum-Application Form; and
- Ensure that the Bid-cum-Application Form is accompanied by a copy of PAN card or by Form 60 or Form 61 as may be applicable. For details, please refer to the section titled "Issue Procedure" on page 224 of the Red Herring Prospectus. Bidders are specifically requested not to submit their General Index Register number instead of the Permanent Account Number as the Bid is liable to be rejected.
- Bids by the QIBs will only have to be submitted to the BRLMs.

BID / ISSUE PROGRAMME

BIDDING PERIOD / ISSUE PERIOD

BID / ISSUE OPENS ON	**NOVEMBER 19, 2007**
BID / ISSUE CLOSES ON	**NOVEMBER 22, 2007**

Bids and any revision in Bids shall be accepted **only between 10 A.M. – 3 P.M.** (Indian Standard Time) during the Bidding Period as mentioned above at the bidding centres mentioned on the Bid cum Application Form except that on the Bid / Issue Closing Date, the Bids shall be accepted **only between 10 A.M. – 3 P.M.** (Indian Standard Time) and uploaded until,

(i) 5 P.M. in case of Bids by QIB Biders, Non Institutional Bidders and Employee Reservation Portion.

(ii) Such time as may be permitted by NSE and BSE, in case of Bids by Retail Bidders and Eligible Employees (whose Bid Amount is up to Rs. 100,000).

Due to the limitation of time available for uploading the Bids on the Bid/Issue Closing Date, the Bidders are advised to submit their Bid one day prior to Bid/Issue Closing Date, the Bidders are advised to submit their Bid one day prior to Bid/Issue Closing Date and in any case not later 3:00 p.m. on the Bid/Issue Closing Date. Bidders are cautioned that in the event large number of Bids are received on the Bid/Issue Closing Date, as is typically experienced in public offerings which may lead to some Bids not being uploaded due to lack of sufficient time to upload, such Bids that cannot be uploaded will not be considered for allocation under the Issue Bids.

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

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

UNDERWRITING AGREEMENT

After the determination of the Issue Price and allocation of our Equity Shares, but prior to filing of the Prospectus with the RoC, our Company will enter into an Underwriting Agreement with the Underwriter for the Equity Shares proposed to be offered through the Issue.

The Underwriter has indicated their intention to underwrite the following number of Equity Shares:

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

Name & address details of the Underwriter	Indicated No. of shares to be underwritten	Amount underwritten (Rs. in million)
[●]	[●]	[●]
[●]	[●]	[●]

The above table is indicative of the underwriting arrangement and this would be finalized after the pricing and actual allocation. The above Underwriting Agreement is dated [●].

In the opinion of the Board of Directors of our Company (based on a certificate given by the Underwriter), the resources of the above mentioned Underwriter are sufficient to enable it to discharge its respective underwriting obligations in full. The above-mentioned Underwriter is registered with SEBI under Section 12(1) of the SEBI Act or registered as broker with the Stock Exchange(s). The above underwriting agreement has been accepted by the Board of Directors of our Company at the meeting held on [●] and our Company has issued letter of acceptance to the Underwriter.

Notwithstanding the above table, the BRLMs shall be responsible for ensuring payment with respect to Equity Shares allocated to the investors. In the event of any default in payment, the Underwriter, in addition to other obligations defined in the Underwriting Agreement, will also be required to procure/subscribe to the extent of the defaulted amount.

CAPITAL STRUCTURE

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

(*Rs. in million*)

		Aggregate Nominal Value	Aggregate Value at Issue Price
A)	**AUTHORIZED SHARE CAPITAL**		
	80,000,000 Equity Shares of Rs. 10 each	800.00	
B)	**ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL**		
	56,250,000 fully paid-up Equity Shares of Rs.10 each	562.50	
C)	**PRESENT ISSUE* IN TERMS OF THIS RED HERRING PROSPECTUS**		
	19,000,836 Equity Shares of Rs. 10 each	190.00	[●]
	Out of the above:		
i)	**NET ISSUE TO THE PUBLIC**		
	18,812,709 Equity Shares of Rs. 10 each	188.12	[●]
ii)	**EMPLOYEE RESERVATION PORTION**		
	Up to 188,127 Equity Shares of Rs. 10 each	1.88	[●]
D)	**EQUITY CAPITAL AFTER THE ISSUE**		
	75,250,836 Equity Shares of Rs. 10 each	752.50	[●]
E)	**SHARE PREMIUM ACCOUNT**		
	Before the Issue	524.89	
	After the Issue	[●]	

Notes to the Capital Structure

1. Equity Share Capital History

Date of allotment of our Equity Shares	No. of Equity Shares	Face Value (Rs.)	Issue Price (Rs.)	Nature of Payment	Reasons for allotment	Cumulative Issued Capital	Cumulative Share Premium (Rs. in Million)
25- Nov-91	2	10	10	Cash	Subscribers to Memorandum	20	
11-Nov-92	1,861	10	10	Cash	Allotment to Promoters/Directors	18,630	
10-Feb-96	13,80,000	10	10	Cash	Further allotment of Equity Shares	1,38,18,630	
30-Mar-96	5,93,700	10	10	Cash	Further issue of Equity Shares	1,97,55,630	
20-Mar-02	35,00,000	10	10	Cash	Allotment to Promoters/Directors	5,47,55,630	
08-Dec-06	2,19,02,252	10	–	–	Bonus Issue in the ratio of 1:4	27,37,78,150	
08-Dec-06	2,88,72,185	10	28.18	Cash	Rights Issue	56,25,00,000	524.89

Other than as mentioned in the table above, we have not made any issue of Equity Shares during the preceding one year.

2. Promoters' Contribution and Lock-in

All Equity Shares which are being locked-in for three years are not ineligible for computation of Promoters' contribution under Clause 4.6 of the DIP Guidelines.

Pursuant to the DIP Guidelines, an aggregate of 20% of our post issue capital held by our Promoters shall be locked-in for a period of three years from the date of Allotment of Equity Shares in the Issue. Accordingly, 20% of the post-issue Equity Share capital held by our Promoters will be locked-in. The details of allotment to each Promoter and persons in the Promoter Group and the details of the Equity Shares locked-in for three years are given below:

(a) Equity Share capital history for our Promoters and Promoter Group

Name	Date of Allotment / Transfer / Acquisition	Considera -tion	No. of Equity Shares	Face Value (Rs.)	Issue Price / Acquisition Price (Rs.)	Value (Rs.)	% of post-Issue paid-up capital
Rajesh A. Patil	25-Nov-91	Cash	1	10	10	10	0.00%
	11-Nov-92	Cash	1,361	10	10	13,610	0.00%
	10-Feb-96	Cash	640,000	10	10	6,400,000	0.85%
	30-Mar-96	Cash	246,200	10	10	2,462,000	0.33%
	20-Mar-02	Cash	500,000	10	10	5,000,000	0.66%
	15-Apr-06	Cash	119,900	10	10	1,199,000	0.16%
	8-Dec-06	Bonus	6,029,848	10	10	60,298,480	8.01%
	8-Dec-06	Cash	7,948,721	10	28.18	223,994,958	10.56%
Milind Kolte	25-Nov-91	Cash	1	10	10	10	0.00%
	10-Feb-96	Cash	90,000	10	10	900,000	0.12%
	30-Mar-96	Cash	37,100	10	10	371,000	0.05%
	20-Mar-02	Cash	500,000	10	10	5,000,000	0.66%
	8-Dec-06	Bonus	2,508,404	10	10	25,084,040	3.33%
	8-Dec-06	Cash	3,306,651	10	28.18	93,181,425	4.39%
Naresh A. Patil	11-Nov-92	Cash	100	10	10	1,000	0.00%
	10-Feb-96	Cash	140,000	10	10	1,400,000	0.19%
	30-Mar-96	Cash	85,000	10	10	850,000	0.11%
	20-Mar-02	Cash	500,000	10	10	5,000,000	0.66%
	15-Apr-06	Cash	730,100	10	10	7,301,000	0.97%
	8-Dec-06	Bonus	5,820,800	10	10	58,208,000	7.74%
	8-Dec-06	Cash	7,673,148	10	28.18	216,229,311	10.20%
Mrs. Sunita Patil	11-Nov-92	Cash	100	10		1,000	0.00%
	10-Feb-96	Cash	180,000	10	10	1,800,000	0.24%
	30-Mar-96	Cash	94,400	10	10	944,000	0.13%
	20-Mar-02	Cash	400,000	10	10	4,000,000	0.53%
	8-Dec-06	Bonus	2,698,000	10	10	26,980,000	3.59%
	8-Dec-06	Cash	3,556,582	10	28.18	100,224,481	4.73%
Mrs. Vandana Patil	11-Nov-92	Cash	100	10	10	1,000	0.00%
	10-Feb-96	Cash	180,000	10	10	1,800,000	0.24%
	30-Mar-96	Cash	96,000	10	10	960,000	0.13%
	20-Mar-02	Cash	400,000	10	10	4,000,000	0.53%
	8-Dec-06	Bonus	2,704,400	10	10	27,044,000	3.59%
	8-Dec-06	Cash	3,565,019	10	28.18	100,462,235	4.74%
Mrs. Sunita Kolte	11-Nov-92	Cash	100	10	10	1,000	0.00%
	10-Feb-96	Cash	150,000	10	10	1,500,000	0.20%
	30-Mar-96	Cash	35,000	10	10	350,000	0.05%
	20-Mar-02	Cash	350,000	10	10	3,500,000	0.47%
	8-Dec-06	Bonus	2,140,400	10	10	21,404,000	2.84%
	8-Dec-06	Cash	2,821,537	10	28.18	79,510,913	3.75%
Ms. Ankita Patil	25-Sep-06	Cash	100	10	10	1,000	0.00%
	8-Dec-06	Bonus	400	10	10	4,000	0.00%
	8-Dec-06	Cash	527	10	28.18	14,851	0.00%
			56,250,000	**562,500,000**		**1,087,396,323**	**74.75%**

(b) Share Capital Locked-In for Three Years

The Equity Shares which are being locked in for three years from the date of allotment are as follows:

Name	Date of Allotment/ Acquisition and when made fully paid-up	Nature of Allotment	Nature of Consideration (Cash, bonus, kind, etc.)	No. of shares	Face Value (Rs.)	Issue Price/ Purchase Price (Rs.)	Percentage of Post-Issue paid-up capital
Rajesh A. Patil	20-Mar-2002	Preferrential allotment	Cash Bonus	500,000	10	10	0.66
	8-Dec-2006	Bonus issue*		6,029,648	10	10	8.01
Milind Kolte	20-Mar-2002	Preferential allotment	Cash	22,500	10	10	0.03
	8-Dec-2006	Bonus Issue*	Bonus	2,508,404	10	10	3.33
Naresh A. Patil	20-Mar-2002	Preferential allotment	Cash	191,315	10	10	0.25
	8-Dec-2006	Bonus issue*	Bonus	5,820,800	10	10	7.74
Total				**15,050,167**			**20.02**

*The Equity Shares being locked-in for a period of three years from the date of Allotment which have been issued through a bonus issue are not from a bonus issue out of a revaluation reserves or reserves without accrual of cash resources or against Equity Shares which are otherwise in eligible for computation of promoters' contribution.

The Promoter's contribution shall be kept in an escrow account with a schedule commercial bank and shall be released to our company along with the proceeds of this issue.

(c) Share capital locked-in for one year

In addition to the lock-in of the Promoters' contribution specified above, the entire pre-Issue issue Equity Share capital of the Company will be locked-in for a period of one year from the date of Allotment. The total number of Equity Shares, which are locked-in for one year, are 41,199,833 Equity Shares.

(d) Other requirements in respect of lock-in

In terms of Clause 4.15 of the SEBI Guidelines, the locked-in Equity Shares held by the Promoters can be pledged only with banks or financial institutions as collateral security for loans granted by such banks or financial institutions, provided the pledge of shares is one of the terms of sanction of loan. Provided further, that such Equity Shares as are locked in as minimum Promoters contribution may be pledged, only if, the loan has been granted by such banks or financial institutions for the purpose of financing one or more of the objects of the Issue.

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

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

3. Our shareholding pattern

The table below presents our current shareholding:

	Before the Issue		After the Issue	
	No. of shares	**%**	**No. of shares**	**%**
Promoters				
a) Mr. Rajesh Patil	15,486,031	27.53	15,486,031	20.58
b) Mr. Milind Kolte	6,442,156	11.45	6,442,156	8.56
c) Mr. Naresh Patil	14,949,148	26.58	14,949,148	19.87
Sub – total	**36,877,335**	**65.56**	**36,877,335**	**49.01**

	Before the Issue		After the Issue	
	No. of shares	**%**	**No. of shares**	**%**
Immediate relatives				
a) Mrs. Sunita Patil	6,929,082	12.32	6,929,082	9.21
b) Mrs. Vandana Patil	6,945,519	12.35	6,945,519	9.23
c) Mrs. Sunita Kolte	5,497,037	9.77	5,497,037	7.30
d) Ms. Ankita Patil	1,027	0.00	1,027	0.00
Sub – total	**19,372,665**	**34.44**	**19,372,665**	**25.74**
Total Promoter Group Holding	**56,250,000**	**100**	**56,250,000**	**74.75**
Non – Promoter Group				
Employees	Nil	Nil	[*]	[*]
Public	Nil	Nil	[*]	[*]
Total Non – Promoter Group Holding	**Nil**	**Nil**	**[*]**	**[*]**
Total	**56,250,000**	**100**	**75,250,836**	**100**

4. The list of all our shareholders and the number of Equity Shares held by them is provided below:

(a) Our shareholders as on the date of filing, as on date ten days prior to filing and as of two years prior to filing of this Red Herring Prospectus are as follows:

(i) As on date of filing:

Sr. No.	Shareholder	No. of Equity Shares Held	Percentage
1.	Mr. Rajesh Patil	15,486,031	27.53
2.	Mr. Naresh Patil	14,949,148	26.58
3.	Mrs. Sunita Patil	6,929,082	12.32
4.	Mrs. Vandana Patil	6,945,519	12.35
5.	Mr. Milind Kolte	6,442,156	11.45
6.	Mrs. Sunita Kolte	5,497,037	9.77
7.	Ms. Ankita Patil	1,027	0.00
	Total	**56,250,000**	**100**

(ii) As on date 10 days prior to date of filing:

Sr. No.	Shareholder	No. of Equity Shares Held	Percentage
1.	Mr. Rajesh Patil	15,486,031	27.53
2.	Mr. Naresh Patil	14,949,148	26.58
3.	Mrs. Sunita Patil	6,929,082	12.32
4.	Mrs. Vandana Patil	6,945,519	12.35
5.	Mr. Milind Kolte	6,442,156	11.45
6.	Mrs. Sunita Kolte	5,497,037	9.77
7.	Ms. Ankita Patil	1,027	0.00
	Total	**56,250,000**	**100**

(iii) As of two years prior to filing:

Sr. No.	Shareholder	No. of Equity Shares Held	Percentage
1.	Mr. Anirudha Vishwanath Patil	870,100	15.89
2.	Mr. Naresh Anirudha Patil	725,100	13.24
3.	Mr. Rajesh Anirudha Patil	711,262	12.99
4.	Mrs. Sunita Rajesh Patil	660,100	12.06
5.	Mrs. Vandana Naresh Patil	650,100	11.87

Sr. No.	Shareholder	No. of Equity Shares Held	Percentage
6.	Mr. Milind Digambar Kolte	610,001	11.14
7.	Mrs. Ushadevi Anirudha Patil	590,100	10.78
8.	Mrs. Sunita Milind Kolte	535,100	9.77
9.	Patil Developers Pvt. Ltd.	66,200	1.21
10.	Mrs. Shashikala Patil	26,000	0.47

5. Our Promoters, Promoter Group, our Directors or the directors of our Promoter Group companies have not acquired, purchased or sold any Equity Shares, during a period of six months preceding the date on which this Red Herring Prospectus was filed with RoC.

6. On October 16, 2006 our shareholders approved the ESOS 2006 (ESOS), effective as of September 18, 2006. For the purposes of our ESOS, Eligible Employee means an employee of KPDL or its subsidiaries, director of KPDL whether a whole time director or not. An employee who is a Promoter or belongs to the Promoter group or is a director and either by himself or through his relatives or any body corporate holds directly or indirectly more than 10% of the outstanding shares of the KPDL is not eligible to participate in the ESOS.

The number of Equity Shares in the share capital of our Company that may arise on a cumulative basis upon exercise shall not exceed in the aggregate ten percent (10%) of the aggregate of the number of issued Equity Shares in our Company from time to time, on the date(s) of the grant of option(s) under the ESOS.

The Compensation Committee, being a committee of Board of Directors consisting of majority of independent directors, shall have full power and authority to administer the ESOS.The grant of the number of options need not be the same with respect to each option grantee. In determining the Eligible Employee and the number of stock options to be granted, the Compensation Committee may consider his position and responsibilities, services and accomplishments (whether direct or indirect), length of service, grade, performance, merit, present and potential contribution, his conduct and such other factors as the Compensation Committee may deem relevant.

Upon listing, the exercise price shall be calculated as per the suggested methods of valuations, or option pricing models, as per SEBI (ESOP) Guidelines.

We have issued the following options under our ESOS plans:

Sr. No.	Nature of disclosure	ESOS granted in 2006	ESOS granted in 2007
1.	Total number of options granted	750,000	30,000
2.	Total number of options lapsed in 2006-07	Nil	Nil
3.	Total number of options vested	75,000	Nil
4.	Total number of options exercised	Nil	Nil
5.	Total number of options in force	Nil	Nil
6.	Total number of Equity Shares arising as a result of exercise of options	Nil	Nil
7.	Exercise Price	40	40
8.	Pricing formula	At 20% premium on book value as on 31st March, 2006	At 25% premium on book value as on 31st March, 2007
9.	Variation in the terms of options	Nil	Nil
10.	Money realized by exercise of options	Nil	Nil
11.	Diluted Earnings Per Share (EPS) pursuant to issue of shares on exercise of options	NA	NA
12.	Difference, if any, between employee compensation cost (calculated using the intrinsic value of stock options) and the employee compensation cost (calculated on the basis of fair value of options)	NA	NA
13.	Impact of this on our profits and Basic EPS	Nil	Nil

Sr. No.	Nature of disclosure	ESOS granted in 2006	ESOS granted in 2007
14.	Weighted average exercise price either equals or exceeds or is less than the market value of the stock	NA.	NA.
15.	Weighted average fair values of options whose exercise price equals or is less than the market value of the stock.	NA.	NA.
16.	Impact on the profits and EPS if the Issuer had followed the accounting policies specified in Clause 13 of the ESOP Guidelines.	NA.	NA.
17.	Vesting Schedule	Vesting schedule starts from September 2007 and ends in March 2010	Vesting schedule starts from September 2008 and ends in March 2010
18.	Lock-in	One year from date of grant of options	One year from date of grant of options

Note:

I. The details regarding options granted to employees in any one year amounting to 1% or more of the issued capital of the Issuer (excluding outstanding conversions) at the time of grant:

In our case no employee is holding more than 1% of issued capital of the Company.

II. The details of options granted to employees in any one year amounting to 5% or more of the options granted during that year viz. Fiscal 2006 and Fiscal 2007 are as stated below:

Sr. No.	Name of Employee	Number of Equity Shares to be issued for options granted in Fiscal 2006	Number of Equity Shares to be issued for options granted in Fiscal 2007
1.	Hardeep Dayal	63,750	–
2.	Girish Lakhe	63,750	–
3.	Prashant Date	–	20,000
4.	Vasant Gaikwad	–	5,000
5.	S.K. Prasanna	–	5,000

Details regarding options granted to our Directors, key managerial personnel of the issuer are set forth below:

Sr. No.	Directors and Key Managerial Personnel of the Issuer	Number of Equity Shares to be issued for options granted Fiscal 2006	Number of Equity Shares to be issued for options granted Fiscal 2007
1.	Hardeep Dayal	63,750	Nil
2.	Girish Lakhe	63,750	Nil
3.	Prashant Date	–	20,000
4.	Vasant Gaikwad	–	5,000
5.	S.K. Prasanna	–	5,000

7. Our directors and the key management personnel who have been granted options and allotted Equity Shares on the exercise of the options pursuant to ESOPs have confirmed to us that they do not intend to sell any shares arising from such options for 3 months after the date of listing of the Equity Shares in this Issue. Other employees holding Equity Shares at the time of listing of Equity Shares and Equity Shares on exercise of vested options may sell equity shares within the 3 month period after the listing of the Equity Shares. This disclosure is made in accordance with para 12 of the SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 2000. None of our Directors or key managerial personnel has been granted options amounting to more than 1% of the issued capital. Employees who would be allotted Equity Shares on exercise of vested options may sell such Equity Shares within the three month period after the listing of the Equity Shares. This disclosure is made in accordance with para 12 of the SEBI ESOP Guidelines.

8. We, our Directors, our Promoters, and the BRLMs have not entered into any buy-back and/or standby arrangements for the purchase of Equity Shares from any person.

9. The Issue includes an Employee Reservation Portion of 188,127 Equity Shares which are available for allocation to Employees on a proportionate basis, subject to valid Bids being received at or above the Issue Price. Only the Employees as defined in the section titled "Definitions and Abbreviations" on page (i) of this Red Herring Prospectus would be eligible to apply in our Employee Reservation Portion. Employees may also bid in the Net Issue portion and such Bids shall not be treated as multiple Bids. The bids in the Employee Reservation Portion are subject to a maximum Bid for 188,127 Equity Shares. Under-subscription, if any, in the Employee Reservation Portion, would be allowed to be met first with spill over from the Retail Portion and then from any other category.

10. In case of over-subscription in all categories, not more than 50% of the Net Issue, shall be available for Allocation on a proportionate basis to Qualified Institutional Buyers, out of which 5% of the QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only, and the remainder, if any, of the QIB Portion shall be available for allocation on a proportionate basis to all Qualified Institutional Buyers, including Mutual Funds, subject to valid Bids being received at or above Issue price. Further, not less than 15% of the Net Issue shall be available for allocation on a proportionate basis to Non Institutional Bidders and not less than 35% of the Net Issue shall be available for allocation on a proportionate basis to Retail Individual Bidders, subject to valid bids being received at or above the Issue Price.

11. Under-subscription, if any, in the Retail or Non Institutional Portion would be met with spill over from other categories or combination of categories at our discretion in consultation with the BRLMs.

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

13. Except as disclosed hereinabove, there will be no further issue of capital whether by way of issue of bonus shares, preferential allotment, rights issue or in any other manner during the period commencing from submission of this Red Herring Prospectus with RoC until our Equity Shares to be issued pursuant to the Issue have been listed.

14. There shall be only one denomination of our Equity Shares, unless otherwise permitted by law. We shall comply with such disclosure and accounting norms as may be specified by SEBI from time to time.

15. As on the date of this Red Herring Prospectus, the total number of holders of Equity Shares was seven.

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

17. Except as disclosed in Note No. 1 hereinabove, we have not issued any Equity Shares for consideration other than cash.

18. On December 8, 2006, the Company has issued 21,902,252 bonus Equity Shares in the ratio of 1:4, pursuant to the board resolution dated November 17, 2006 and the shareholders resolution dated November 18, 2006. On December 8, 2006, the Company has made a rights issue of 28,872,185 Equity Shares, pursuant to the board resolution dated November 17, 2006 and the shareholders resolution dated November 18, 2006.

19. Except for the options granted under our ESOS Scheme, there are no outstanding financial instruments or any rights, which would entitle the Promoters or the shareholders or any other person any option to acquire any of our Equity Shares.

20. We presently do not intend or propose to alter our capital structure for a period of six months from the Bid/Issue opening date by way of split or consolidation of the denomination of Equity Shares or further issue of equity (including issue of securities convertible into or exchangeable for, directly or indirectly, for Equity Shares) whether preferential or otherwise. However, during such period or at a later date, we may issue Equity Shares or securities linked to Equity Shares to finance an acquisition, merger or joint venture by us or as consideration for such acquisition, merger or joint venture or for regulatory compliance or such other scheme of arrangement if an opportunity of such nature is determined by our Board to be in our best interests.

21. We had filed an application with the DIPP on November 18, 2006 for seeking its permission for investments by FIIs in this Issue. DIPP has by its letter dated December 26, 2006, clarified that the guidelines notified under Press Note (2 of 2005 series) are applicable to investments made only under the FDI route and not under investments made by FIIs under Portfolio Investment Scheme framed under the FEMA Regulations.RBI vide its letter FE.CO.FID/29406/10.02.000/2006-07 dated June 22, 2007 has also clarified that FII may invest in this Issue under the Portfolio Investment Scheme framed FEMA Regulations.For the further details on the permissions received, see the section titled "Material Contracts and Documents for Inspection" on page 301 of this Red Herring Prospectus.

22. An oversubscription to the extent of 10% of the Issue can be retained for the purpose of rounding off while finalizing the basis of Allotment.

23. Investors may note that in case of oversubscription in the Issue, allotment to all categories of Bidders would be on proportionate basis. For further information, refer to "Issue Procedure" page 224 of this Red Herring Prospectus.

24. Except as disclosed in the section titled "Our Management" on page 73 of this Red Herring Prospectus, none of our Directors or key managerial personnel holds any of our Equity Shares.

OBJECTS OF THE ISSUE

The objects of the Issue are to (a) finance acquisition of development rights, (b) finance the construction and development costs for some of our proposed projects, (c) fund expenditures for general corporate purposes and (d) achieve the benefits of listing on the Stock Exchanges.

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

We intend to utilize the net proceeds of the Issue, after deducting underwriting and management fees, selling commissions and other expenses associated with the Issue ("Net Proceeds"), which is estimated at Rs. [●] for financing the growth of our business.

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

(In Rs. Millions)

Sr. No.	Expenditure	Estimated Amount	FY 2008	FY 2009	FY 2010
1.	Acquisition of Development Rights	1,763.35	1,763.35	–	–
2.	Development and construction costs for existing projects and for forthcoming projects	1,486.29	1,486.29	–	–
3.	Issue Expenses	[●]	[●]	–	–
4.	General Corporate Purposes	[●]	[●]	–	–
	Total	[●]	[●]	–	–

The entire requirement of funds including expenses associated with the Issue will be met through the proceeds of the Issue. In case of any shortfall or cost overruns, we intend to meet our estimated expenditure from our internal accruals and debt. The fund requirement and deployment are based on internal management estimates and have not been appraised by any bank or financial institution. These are based on current conditions and are subject to change in light of changes in external circumstances or costs, or in other financial condition, business or strategy, as discussed further below.

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

In addition, the fund requirements are based on the current internal management estimates of our Company. We operate in a highly competitive, dynamic market condition, and may have to revise our estimates from time to time on account of new projects that we may pursue including any industry consolidation initiatives, such as potential acquisition opportunities. We may also reallocate expenditure to newer projects or those with earlier completion dates in the case of delays in our existing projects. Consequently, our fund requirements may also change accordingly. Any such change in our plans may require rescheduling of our expenditure programs, starting projects which are not currently planned, discontinuing projects currently planned and an increase or decrease in the expenditure for a particular project or land acquisition in relation to current plans, at the discretion of the management of the Company. In case of any shortfall or cost overruns, we intend to meet our estimated expenditure from our internal accruals and debt.

In the event we are unable to utilize the net proceeds of the issue for the objects specified herein we shall with the approval of the shareholders of the Company deploy the funds for other business purposes including towards purchase of additional land parcels, construction of projects, repayment of loans or general corporate purposes.

Details of the Objects

Expenditure on acquisition of development rights

We are in the business of real estate development including residential projects, commercial projects and IT Parks. We intend to diversify the portfolio of projects undertaken by us to include integrated townships, serviced apartment complexes and high-end residential projects. For details of our business, see the section titled "Business" on page 38.

We intend to utilize a part of the Net Proceeds of the Issue to finance acquisition of development rights, directly or indirectly.

Estimated cost of acquisition of development rights

We propose to acquire development rights with respect to the following lands in Pune aggregating to 24,042,592 sq ft from the proceeds of this issue. These lands are at various stages of identification and acquisition and are as set forth below:

(*In Rs. millions*)

Sr. No.	Location	Gross Land (Sq. Ft.)	Total Cost of Land	Amount paid as on 30-Sep-07	Balance amount payable 30-Sep-07*	Nature of Legal Title to be Acquired	Status of Acquisition
1	Mohammad Wadi I (57 & 59), Pune	795,997	431.60	167.61	263.99	Development Rights	M.O.U. for 505,369 Sq. Ft. & Registered Development Agreement*** for 290,628 Sq. Ft.
2	Kharadi Residential (Survey No.53 & 54) (Proposed Project)	538,200	175.00	120.50	54.50	Development Rights	Registered Development Agreement***& POA
3	Bavdhan - 3	1,000,000	750.00	80.00	670.00	Development Rights	M.O.U.
4	Wagholi, Lush County Pune (1) (Ongoing)	3,354,267	241.49	200.40	41.09	Development Rights	Registered Development Agreement***& POA
5	Aleria Kharadi - Survey No. 42 (Proposed Project)	43,056	26.44	26.43	0.01	Development Rights	Registered Development Agreement***& POA
6	Urse**	5,394,907	83.90	1.60	82.30	Development Rights	M.O.U.
7	Pimple Gurav	1,314,284	274.62	0.50	274.12	Development Rights	M.O.U.
8	Pimple Nilakh (Proposed Project)	1,015,045	178.27	160.01	18.26	Development Rights	Registered Development Agreement***& POA
9	Kalyaninagar - (Survey No.16) Pune	220,367	115.82	113.60	2.21	Development Rights	Registered Development Agreement***& POA
10	Maple Leaves Mohammadwadi (Sarin)	115,067	18.29	16.09	2.20	Development Rights	M. O.U.
11	Jambhe II KPDL**(2)	3,064,596	287.28	219.60	67.68	Development Rights	Registered Development Agreement***& POA
12	Savargaon**	6,097,806	40.59	2.50	38.09	Development Rights	M.O.U.
13	Sus	1,089,000	250.00	1.10	248.90	Development Rights	M.O.U.
	Total	**24,042,592**	**2,873.30**	**1,109.94**	**1,763.35**		

* *As per Certificate from SPCM & Associates, Chartered Accountants dated October 10, 2007*

** *Development rights with respect to these lands have been or are being purchased from our Promoters.*

*** *We have entered into Registered Development Agreements wherein we have agreed to pay the Balance Amounts as aforesaid on completion of certain procedural formalities.*

Note 1: *Development rights shown in the books of Corolla Realty Pvt. Ltd. and the Share of KPDL is 37%. Hence we have taken amount 37% of total value and paid amount.*

Note 2: *KPDL have to pay said amount as their 50 % contribution towards Purchases of Development rights jointly with I-Ven Township (Pune) Pvt.Ltd. through Sylvan Acres Realty Pvt. Ltd.*

We intend to utilize the entire amount earmarked for the acquisition of development rights during fiscal 2008. In respect of many of our acquisitions of development rights, we are required to pay an advance at the time of executing an agreement to purchase, with the remaining purchase price due upon completion of the acquisition. The estimated costs described in this section include such advances and deposits.

Means of Finance

The total cost of acquisition of development rights which we have agreed to acquire is approximately Rs. 2,873.30 million. As of September 30, 2007, we had paid approximately Rs. 1,109.94 million of the total cost as partial payment, and the balance amount payable towards the acquisition of these lands was Rs. 1,763.35 million, as certified by SPCM & Associates, Chartered Accountants Certificate dated October 10, 2007. We propose to finance the remaining acquisition cost aggregating to Rs. 1,763.35 million for the acquisition of the above mentioned lands from the Net Proceeds of the Issue.

Development and construction costs for our existing projects and our forthcoming projects.

We are developing residential projects, commercial projects and IT Parks which are at various stages of construction and development in Pune. We propose to deploy an amount aggregating to upto Rs. 1,486.29 million out of the Net proceeds of the Issue in our existing and our forthcoming residential projects, commercial projects and IT Parks.

Details of the projects

The details of these residential projects, commercial projects and IT Parks, like the total project cost, the costs already incurred, the balance funds required for completion of the project as set forth in the table below:

(*In Rs. million*)

Sr. No.	Name of the Project	Saleable Area (Sq. ft.)	Start date of the project (Year)	Estimated Completion Date (Year)	Construction Cost of the Project	Break up of the funding of the total cost of the Project			Cost Incurred as on September 30, 2007	Balance Cost to be incurred	Status of the project as on September 30, 2007
						Internal Accruals	Project Specific Loans	Net Proceeds of the Issue			
1	Pimple Nilakh	1,532,342	2007	2010	1,597.81	800.81	-	797.00	53.00	1,544.81	Site Leveling
2	Wagholi - Green Groves	398,349	2007	2009	492.76	430.50	-	62.26	103.74	389.02	Foundation complete. RCC and brickwork in progress
3	Whispering Meadows II at Dollors Colony	380,000	2008	2009	511.72	306.88	-	204.84	-	511.72	Foundation work is in progress.
4	Kharadi	700,000	2008	2010	626.88	204.69	-	422.19	-	626.88	Not started
	Total	**3,010,691**			**3,229.17**	**1,742.88**	**-**	**1,486.29**	**156.74**	**3,072.43**	

In case of any shortfall or cost overruns, we intend to meet the estimated expenditure from our internal accruals and debt.

Means of Finance

The total cost of construction of these 4 projects is estimated to be Rs. 3,229.17 million.

We plan to deploy Rs. 1,742.88 million of the total cost by way of internal accruals out of which we have already incurred an amount of Rs. 156.74 million. The balance amount of Rs. 1,486.29 million is proposed to be funded through the Net Proceeds from the Issue.

General Corporate Purposes

We, in accordance with the policies set up by our Board, will have flexibility in applying the remaining Net Proceeds of this Issue, for general corporate purposes towards acquisition of land, construction of projects, strategic initiatives and acquisitions, brand building exercises and the strengthening of our marketing capabilities.

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

Issue Related Expenses

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

Particulars	**Amount (Rs. Million)**
Lead management fee and underwriting commissions	**[•]**
Advertising and Marketing expenses	**[•]**
Printing and stationery	**[•]**
Others (Registrars fee, legal fee, etc.)	**[•]**
Total	**[•]**

**Will be incorporated after finalisation of the Issue Price*

Working Capital Requirement

The Net Proceeds of this Issue will not be used to meet our working capital requirements as we expect sufficient internal accruals to meet our existing working capital requirements.

Interim use of funds

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

Monitoring Utilization of Funds

Our Board will monitor the utilization of the Issue proceeds. We will disclose the details of the utilization of the Issue proceeds, including interim use, under a separate head in our financial statements for fiscal 2007, fiscal 2008 and fiscal 2009, specifying the purpose for which such proceeds have been utilized or otherwise disclosed as per the disclosure requirements of our listing agreements with the Stock Exchanges.

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

BASIS OF ISSUE PRICE

The Issue Price will be determined by us in consultation with the BRLMs on the basis of the demand from investors for the Equity Shares through the Book-Building Process. The face value of the Equity Shares is Rs. 10 and the Issue Price is 12.5 times the face value at the lower end of the Price Band and 14.5 times the face value at the higher end of the Price Band.

Qualitative Factors

For some of the qualitative factors that form the basis for computing the price refer to "Our Business - Our Competitive Strengths" on page 38 and "Risk Factors" on page (x).

Quantitative Factors

Information presented in this section is derived from the Company's consolidated summary statement of assets and liabilities and consolidated summary statement of profits and losses, as restated and consolidated cash flows, as restated, under Indian GAAP. Some of the quantitative factors, which form the basis for computing the price, are as follows:

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

Year Ended	EPS Annualised (Rs.)	Weight
March 31, 2005	0.89	1
March 31, 2006	1.02	2
March 31, 2007	22.95	3
Weighted Average	**11.96**	

Note:

a) The earning per share has been computed by dividing net profit as restated, attributable to equity shareholders by restated weighted average number of equity shares outstanding during the year.

b) The face value of each equity share is Rs. 10/-.

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

a) P/E based on EPS of Rs. 22.95 per share for the period ended March 31, 2007 is 5.56 at the Floor Price and 6.44 at the Cap Price.

b) P/E based on weighted EPS of Rs. 11.96 per share for the period ended March 31, 2007 is 10.45 at the Floor Price and 12.12 at the Cap Price.

c) Industry P/E*

i. Highest : 140.0

ii. Lowest : 2.8

iii. Industry Composite : 34.8

* P/E based on trailing twelve month earnings for the entire construction sector

Source: Capital Market, Volume XXII/16, Oct 08 – 21, 2007 (Industry-Construction)

3. Average Return on Net worth (RoNW)

Year Ended	Adjusted PAT	Net Worth	RoNW (%)	Weight
March 31, 2005	24.25	160.40	15.12%	1
March 31, 2006	28.02	185.30	15.12%	2
March 31, 2007	835.61	1,813.18	46.09%	3
Weighted Average			**30.60%**	

Minimum Return on Total Net Worth post issue needed to maintain Pre-Issue EPS is [●]

4. Net Asset Value

a) NAV as at March 31, 2007 : Rs. 49.82 per Equity Share

b) NAV as at June 30, 2007 : Rs. 38.19 per Equity Share

c) NAV after the issue : Rs. 60.11 per Equity Share at the Floor Price and Rs. 65.16 per Equtity Share at the Cap Price

d) Issue Price : Rs. [●] per Equity Share.

Notes:

i) *NAV per equity share as at March 31, 2007 and June 30, 2007 has been calculated as shareholder's equity less miscellaneous expenses as divided by the restated weighted equity number of equity shares.*

ii) *NAV per equity share after the issue at Floor price has been calculated as shareholder's equity less miscellaneous expenses as at June 30, 2007 and the gross proceeds of the issue at Floor price as divided by restated weighted equity number of equity shares and the shares to be issued in the issue.*

iii) *NAV per equity share after the issue at Cap price has been calculated as shareholder's equity less miscellaneous expenses as at June 30, 2007 and the gross proceeds of the issue at Cap price as divided by restated weighted equity number of equity shares and the share to be issued in the issue.*

iv) *The Issue Price of Rs. [●] per Equity Share has been determined on the basis of the demand from investors through the book building process and is justified based on the above accounting ratios.*

5. Comparison with other listed companies

Name of the Company	EPS[1] (Rs.)	P/E as on Sep. 28, 2007	RoNW (%)	Book Value (Rs./ share [3])	Sales (Rs. Mn)
Kolte-Patil Developers Limited	22.95[2]	NA	46.09%	49.81	2,524.43
Akruti Nirman	NA	NA	24.9%	75.2	1,779.0
Ansal Housing	29.0	6.9	36.8%	86.8	1,992.0
IVR Prime Urban	NA	NA	31.3%	134.0	1,478.0
Mahindra Gesco	4.7	131.3	3.0%	189.3	1,555.0

(1) Trailing twelve months EPS (2) for the year ended March 31, 2007 (3) Nominal Value of Rs. 10/- paid up.

Other data for peer group companies except for the P/E ratio are as of March 31, 2007

All figures for peer group are from *Source: Capital Market, Volume XXII/16, Oct 08 – 21, 2007 (Industry-Construction).* The peer listed companies, as stated above are engaged in the real estate business. Only select companies that represent a real estate developer more than construction companies have been identified as peer group.

The Issue Price of Rs. [●] has been determined by us, in consultation with the BRLMs on the basis of the demand from investors for the Equity Shares through the Book-Building Process and is justified based on the above accounting ratios. For further details, see the section titled “Risk Factors” beginning on page (x) of this Red Herring Prospectus and the financials of the Company including important profitability and return ratios, as set out in the auditor’s report stated on page 104 of this Red Herring Prospectus to have a more informed view.

STATEMENT OF TAX BENEFITS

Kolte-Patil Developers Ltd.

Dear Sir,

We hereby report that the enclosed annexure states the possible general tax benefits available to Kolte Patil Developers Limited (the "Company") and its shareholders under The Income Tax Act, 1961, Wealth Tax Act, 1957 and The Gift Tax Act, 1958, presently in force in India. Several if these benefits are dependant on the Company or its Shareholders fulfilling the conditions prescribed under the relevant tax laws. Hence, the ability of the Company or its shareholders to derive the tax benefits is dependant upon fulfilling such conditions, which based on business imperatives the Company faces in the future, the company may or may not choose to fulfil.

The benefits discussed below are not exhaustive. This statement is only intended to provide general information to the investors and 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 implification arising out of their participation in the issue.

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

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

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

For S P C M & ASSOCIATES
(Formerly known as BORA KASAT & CO.)
Chartered Accountants

Place: Pune
Date: 07.10.2007

C.A. SUHAS P. BORA
Partner
(Membership No. 039765)

STATEMENT OF POSSIBLE GENERAL TAX BENEFITS AVAILABLE TO KOLTE PATIL DEVELOPERS LTD. (THE "COMPANY") AND ITS SHAREHOLDERS

BENEFITS UNDER THE INCOME TAX ACT, 1961('the IT Act')

I. BENEFITS AVAILABLE TO THE COMPANY

1. In accordance with and subject to the conditions specified under Section 80-IB (10) of the Income Tax Act, the company is eligible for hundred percent deduction of the profits derived from development and building of housing projects approved before 31st March, 2007, by local; authority.
2. As per the provisions of Section 10(34) of IT Act, any income by way of dividends referred to in Section 115-O (i.e. dividend declared, distributed or paid on or after 1st April, 2003) received from domestic company is exempt from income tax.
3. As per the provision of Section 24(a) of the IT Act, Company is eligible for deduction of thirty per cent 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).
4. As per provision of Section 24(b), where the property has been acquired, constructed, repaired, renewed, or reconstructed with borrowed capital, the amount of interest payable on such capital shall be allowed as a deduction in computing income from house property.
5. As per the provisions of Section 80-IAB, Company is eligible for deduction of hundred percent of profit derived from business of developing a Special Economic Zone, notified on or after the 1st day of April, 2005 under the Special Economic Zone Act, 2005 for ten consecutive assessment years. The deduction can be claimed for any ten consecutive assessment years out of fifteen years beginning from the year in which Special Economic Zone has been notified by the Central Government.
6. Subject to compliance with certain conditions laid down in Section 80-IA of the Act, the Company will enjoy 100% tax exemption for any 10 consecutive Assessment Years out of 15/20 years, as the case may be, in respect of profits earned from an undertaking set up for developing or operating and maintaining or developing, operating and maintaining any notified infrastructure facility.
7. Subject to compliance with certain conditions laid down in Section 80-IA (12) of the Act, the Company will enjoy 100% tax exemption for residual period out of 15/20 years, as the case may be, in respect of profits earned from an undertaking or an enterprises engaged in notified infrastructure facility and which amalgamates with the Company.
8. Under Section 115JAA (2A) of the Act, tax credit shall be allowed of any tax paid (MAT) under Section 115JB of the Act, Credit eligible for carry forward is the difference between MAT paid and tax computed as per the normal provisions of the Act. Such MAT credit shall not be available for set-off beyond 7 years succeeding the year in which the MAT becomes allowable.
9. Under Section 48 of the Income Tax Act, 1961 which prescribes the mode of computation of capital gains, provides for deduction of cost of acquisition/improvement and expenses incurred wholly and exclusively in connection with the transfer of a capital asset, from the sale consideration to arrive at the amount of capital gains. However, as per second proviso to section 48 of the Income Tax Act, 1961 in respect of Long Term Capital Gains arising out of transfer of Long Term Capital Assets i.e. shares held in Indian Company for a period exceeding 12 months or other capital assets held for a period exceeding 36 months, it permits substitution of cost of acquisition/improvement with the indexed cost of acquisition/improvement, which adjusts the cost of acquisition/improvement by a cost inflation index, as prescribed from time to time.

II. BENEFITS AVAILABLE TO RESIDENT SHAREHOLDERS

1. As per provisions of Section 10(34) of the Act, any Income by way of dividends referred to in Section 115-O (i.e. dividend declared, distributed, or paid on or after 1st of April, 2003) received from domestic company is exempt from income tax in the hands of shareholders.
2. Under Section 48 of IT Act, which prescribes the mode of computation of capital gains, provides for deduction of cost of acquisition/improvement and expenses incurred wholly and exclusively in connection with the transfer of capital assets, from the sale consideration to arrive at the amount of capital gains. However, in respect of long term capital gains (if shares are held for a period exceeding 12 months) from transfer of shares of Indian Company, it permits substitution of cost of acquisition/improvement with the indexed cost of acquisition/improvement, which adjusts the cost of acquisition/ improvement by a cost inflation index, as prescribed from time to time.

3. As per the provision of Section 112 of the IT Act, long term capital gains (which are not exempt under Section 10(38) of the IT Act) arising on transfer of shares in the Company would be subject to tax at a rate of 20 per cent (plus applicable surcharge & education cess) after indexation. However, if the tax on long term capital gains resulting on transfer of listed securities calculated at the rate of 20 per cent with the indexation benefit exceeds the tax on long term gains computed at the rate of 10 per cent without indexation benefit, such capital gains are chargeable to tax at a rate of 10 per cent (plus applicable surcharge & education cess), at the option of the shareholder.

4. As per the provisions of Section 111A of the IT Act short Term capital gains arising from sale of an equity shares in the Company would be taxable at the rate of ten percent (plus applicable surcharge & education cess) where such transactions of sale entered on recognized stock exchange in India & is liable to securities transaction tax.

5. As per provisions of Section 10(38) of the Income Tax Act, long Term Capital Gains arising sale of equity shares in the company would be exempt from Tax where the sale transaction has been entered into on a recognized stock exchange in India & is liable to securities transaction tax.

6. As per provisions of Section 54EC of the Income Tax Act & subject to the conditions & to the extent specified therein long term capital gains (which are not exempt under Section 10(38) of the Income Tax Act) would be exempt from tax to the extent such capital gain are invested in long term specified assets within six months from the date of such transfer in the bonds issued by:

   a. National Highway Authority of India constituted under Section 3 of National Highway Authority of India Act, 1988; and

   b. Rural Electrification Corporation Limited, a company formed & registered under Companies Act, 1956;

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

   The cost of long term specified assets, which has been considered under this section for calculating capital gain, shall not allowed as deduction from the income tax under Section 80C for any assessment year beginning on or after 1st April, 2006.

7. As per the provision of Section 54F of IT Act & subject to conditions specified therein, long term capital gains (which are not exempt from tax under Section 10(38) of the IT Act) arising to Individual or HUF on transfer of the shares of the company will be exempt from capital gains tax if the sale proceeds from the transfer of the such shares are used for purchase of residential house property within a period of 1 year before or 2 years after the date on which the transfer took place or for construction of residential house property within a period of three year after date of such transfer.

8. Section 88E provides that where the total income the person includes the income chargeable under the head 'Profits & Gains of Business or Profession' arising from purchase or sale of equity shares in the company entered into recognized stock exchange, i.e. from taxable securities transactions, he shall get deduction equal to securities Transaction Tax paid by him in the course of his business. Such deduction is to be allowed from the amount of income tax in respect of such transactions calculated by applying average rate of income tax on such income.

9. However in the case of an Individual or a Hindu Undivided Family, being resident, where the total income as reduced by such short term capital gains is below the maximum amount which is not chargeable to Income Tax then, such short term capital gain shall be reduced by the amount by which total income as so reduced falls short of the maximum amount which is not chargeable to income tax and the tax on the balance of such short term capital gains shall be computed at the rate of ten percent. Where the gross total income of an assessee includes any short term capital gain referred herein above then the deduction under chapter VI-A shall be allowed from the gross total income as reduced by such capital gains.

III. BENEFITS AVAILABLE TO MUTUAL FUNDS

As per the provisions of Section 10(23D) of the IT Act, Mutual Funds registered under Securities and Exchange Board of India or Mutual Funds set up by public sector banks or public financial institutions or authorized by RBI and subject to the conditions specified therein, would be eligible for exemption from Income tax on their income.

IV. BENEFITS AVAILABLE TO FOREIGN INSTITUTIONAL INVESTORS ('FIIs')

1. As per the provisions of Section 10(34) of the IT Act, dividend income (referred to in Section 115-O of the IT Act) would be exempt from tax in the hands of the shareholders of the companies.

2. As per provisions of Section 115AD of the IT Act, income of FII's from the securities (other than Income by way of dividends referred to in Section 115-O of the IT Act) would be taxed at concessionals rates as follows:

Nature of Income	Rate of Tax (%)
Income in respect of securities	20
Long Term Capital Gains	10
Short Term Capital Gains	30

(Other than short term capital gain referred to in Section 111A)

The above tax rate would be increased by applicable surcharge & education cess. The benefits of indexation and foreign currency fluctuation protection as provided under Section 48 of the IT Act are not available to an FII.

3. As per the provision of Section 111A of the IT Act, short term capitals arising from transfer of equity shares in the Company would be taxable at a concessional rate of 10 per cent (plus applicable surcharge & education cess) where such transaction of sale is entered on a recognized stock exchange in India and is liable to Securities Transaction Tax.

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

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

6. As per the provision of Section 54EC of the IT Act, and subject to the conditions and to the extent specified therein, long term capital gains (which are not exempt under Section 10(38) of IT Act) would not be chargeable to tax to the extent such capital gains are invested in long term specified assets within six months from the date of transfer and held for the period of three year, from the date of acquisition in bond issued by:

   a. National Highway Authority of India constituted under Section 3 of National Highway Authority of India Act, 1988; and

   b. Rural Electrification Corporation Limited, company formed & registered under Companies Act, 1956;

7. As per the provisions of Section 88E of the IT Act, the securities transaction tax paid by the shareholders in respect of the taxable securities transactions entered into in the course of his business would be eligible for rebate from the amount of income tax on the income chargeable under the head 'Profits & Gains from Business or Profession' arising from taxable securities transactions.

V. BENEFITS AVAILABLE TO VENTURE CAPITAL COMPANIES /FUND

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

VI. BENEFITS AVAILABLE TO NON-RESIDENTS/NON-RESIDENT INDIAN SHAREHOLDERS (OTHER THAN MUTUAL FUNDS, FIIs AND FOREIGN VENTURE CAPITAL INVESTORS)

1. As per the provisions of Section 10(34) of the IT Act, any income by way of dividends referred to in Section 115-O (i.e. dividends declared, distributed or paid on or after 1st of April, 2003) received on the shares of any company is exempt from the tax.

2. In terms of first proviso to Section 48 of IT Act, in case of a non-resident, while computing the capital gains arising from transfer of shares in or debentures of the Company acquired in convertible foreign exchange (as per exchange control regulations) protection is provided from fluctuation in the value of rupee in terms of foreign currency in which the original investment was made. Cost indexation benefits will not be available in such case.

3. As per the provisions of Section 112 of the IT Act, long-term gains as computed above (which are not exempt under Section 10(38) of the IT Act) would be subject to tax rate of 20% (plus applicable surcharge & education cess). However, as per the proviso to Section 112(1), if the tax on long term capital gains resulting on transfer if listed

securities or units, calculated at the rate of 20 per cent with indexation benefits exceeds the tax on long term gains computed at the rate of 10 percent without indexation benefit, then such gains are chargeable to tax at a concessional rate of 10 per cent (plus applicable surcharge and education cess).

4. Under Section 111A of the IT Act, short term capital gain arising from sale of equity share in the company would be taxable at a concessional rate of 10 per cent (plus applicable surcharge and education cess) where such transaction of sale is entered on a recognized stock exchange in India and is liable to securities transaction tax.

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

6. As per the provision of Section 10(38) of the IT Act, long term capital gains arising on transfer of equity shares in the Company would be exempt from tax provided the transaction of sales has been entered through a recognized stock exchange and such transaction is chargeable to securities transaction tax.

7. As per the provisions of Section 54EC of IT Act and subject to the conditions and to the extent specified therein, long term capital gains (which are not exempt under Section 10(38) of the IT Act) would not be chargeable to tax to the extent such capital gains are invested in long term specified assets within 6 months from the date of transfer and held for a period of 3 years, from the date of acquisition, in bonds issued by:

   a. National Highway Authority of India constituted under Section 3 of National Highway Authority of India Act, 1988; and

   b. Rural Electrification Corporation Limited, company formed & registered under Companies Act, 1956;

   The cost of the long term specified assets, which has been considered under section for calculating capital gain, shall not be allowed as a deduction from the Income Tax under Section 80C for any assessment year beginning on or after 1st April, 2006.

8. As per the provisions of Section 54F of the IT Act and subject to the conditions specified therein, long term capital gains (which are not exempt under Section 10(38) of the IT Act) arising to an individual or a Hindu Undivided Family (HUF) on transfer of shares of the Company will be exempt from capital gains tax if the sale proceeds from such shares are used for purchase of residential house property within a period of 1 year or 2 years after the date on which the transfer took place or for construction of residential house property within a period of 3 years after the date of such transfer.

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

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

   - Under Section 115F of IT Act, long term capital gains arising to a non-Resident Indian from transfer of shares of the Company, subscribed in convertible foreign exchange, shall be exempt from income tax, if the entire net consideration is reinvested in specified assets/saving certificates within 6 months of the date of transfer. Where only a part of the net consideration is so reinvested, the exemption shall be proportionately reduced. The amount so exempted shall be chargeable to tax subsequently, if the specified assets /saving certificates are transferred or converted within 3 years from the date of their acquisition.

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

   - Under Section 115I of the IT Act, a Non-Resident Indian may elect not to be governed by the foregoing provisions for any assessment year by furnishing his return of income for that assessment year under Section 139 of the IT Act, declaring therein that the provision of Chapter XII-A shall not apply to him for that assessment year and accordingly his total income for that assessment year will be computed in accordance with the other provisions of the IT Act.

10. Section 88E provides that where the total income of a person includes income chargeable under head "profits and gains of business or profession" arising from purchase or sale of an equity share in a company entered into in a recognized stock exchange, i.e., from taxable securities transaction, he shall get rebate equal to the securities transaction tax paid by him in the course of his business. Such rebate is to be allowed from the amount of income tax in respect of such transactions calculated by applying average rate of income tax.

VII. BENEFITS AVAILABLE UNDER THE WEALTH TAX ACT, 1957

Assets as defined under Section 2(ea) of the Wealth Tax Act, 1957 does not include shares in companies and hence, shares of the company held by the share holders would not be liable to wealth tax.

VIII. BENEFITS AVAILABLE UNDER THE GIFT- TAX ACT

Gift tax is not leviable in respect of any or after 1st of October, 1998. Therefore, any gift of shares of the company will not attract Gift Tax.

Note:

- The above Statement of Possible General Direct Tax Benefits sets out the provisions of law in a summary manner only and is not a complete analysis or listing of all potential tax consequences of the purchase, ownership and disposal of equity shares.
- The above Statement of Possible General Direct Tax Benefits sets out the possible tax benefits available to the company and its shareholders under the current tax laws presently in force in India. Several of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant tax laws.
- This statement is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences, the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the issue.
- In respect of non-residents, the tax rates and consequent taxation mentioned above shall be further subject to any benefits available under the Double Taxation Avoidance Agreement, if any, between India and the country in which the non resident has Fiscal domicile.
- The statement of possible tax benefits enumerated above is as per the Income Tax Act, 1961 as amended by the Finance Act, 2007.

SECTION IV: ABOUT OUR COMPANY

INDUSTRY

The information in this section is derived from various government publications and other public sources. Neither we nor any other person connected with the Issue has 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 their accuracy, completeness and underlying assumptions are not guaranteed and their reliability cannot be assured. Accordingly, investment decisions should not be based on such information.

THE INDIAN ECONOMY

In 1991, the Government of India initiated a series of major macroeconomic and structural reforms to promote economic stability and growth. The key reforms were focused on implementing fundamental economic reforms, deregulating industry, accelerating foreign investment and pushing forward privatisation programs in various public sector operations. Partly as a result of the reform program, India's economy has recently registered significant growth, with GDP growth of 9.4% over the year ended March 31, 2007. The following table demonstrates the growth in real GDP since 2001.

	As of, and for the year ended March 31,						
	2001	**2002**	**2003**	**2004**	**2005**	**2006**	**2007**
Real GDP (Annual % change)	4.4%	5.8%	3.8%	8.5%	7.5%	9.0%	9.4%

Source: RBI Bulletin (October 2007)

OVERVIEW OF REAL ESTATE SECTOR IN INDIA

The term "real estate" connotes land, including the air above it and the ground below it, and any building or structures on it. It covers residential housing, commercial offices, trading spaces such as theatres, hotels and restaurants, retail outlets and industrial buildings such as factories and government buildings. Real estate involves the purchase, sale and development of land and residential and non-residential buildings. The activities of the real estate sector encompass the housing and construction sector as well.

The Indian real estate sector can be divided into the organised and unorganised segments. The unorganised segment accounts for the majority of the housing units constructed. The organised segment consists of private real estate developers and government or government-affiliated entities.

The industry is highly fragmented with most of the real estate developers having a city-specific or region specific presence. The unorganised sector comprises small builders and contractors, who primarily construct houses on a contract basis with individuals. Real estate developers in the organised sector are actively considering townships, multiplexes and shopping malls as future projects to drive their business prospects. Regional real estate players dominate the industry because there are no strong national players in the sector. Some of the developers in Pune are Kumar Builders, Magarpattacity, Panchshil, Runwal Group, Vascon and Paranjape Schemes, while developers in Bangalore include Sobha, Purvankara Developers, Mantri Builders, Brigade, Prestige and Adarsh.

Most established players in the industry fund their projects through promoters' contributions and intra-group loans. The developer's ability to sell a large portion of its project in advance enables the projects to be largely self-financed, even at an early stage. The developer's reputation also plays an important role in influencing the selling price of the projects.

Secondary information on the financials of developers is generally not available. However, according to industry sources, the margins on a residential property vary, depending upon the location of the project, the amenities provided and the developer's reputation. Amenities have an impact on construction costs, while the location of the project affects land costs and selling prices.

Industry Characteristics

The real estate industry in India has the following characteristics:

- Capital Structure: Presently, most real estate companies are closely held companies. Construction activities are often funded by the client, who typically makes cash advances at various stages of construction.
- Leasing is an option for commercial properties: Unlike the residential properties (which are sold outright), commercial space is either leased or sold outright. Under the leasing option, the rent received from tenants form a source of recurring cash flow for the developer. Additionally, the property rights remain with the developer, enabling the property to be disposed of subsequently, if required.

- Contingent Liabilities: Due to project-based work, real estate companies often carry substantial contingent liabilities in the form of guarantees in order to comply with specific client requirements.
- Development Risks: Profitability of each project is subject to risks of mis-pricing, conditions adverse to the real estate market, geological conditions, management of specification changes and the outcome of competition with rival real estate companies.
- Credit Risk: The strength of clients from whom the receivables are being generated is important. Real estate developers usually secure project advances from clients to keep them committed to the projects.
- Approvals required for real estate projects: A number of approvals are required from regulatory authorities for real estate projects. For further details, refer to the section entitled “Government and Other Statutory Approvals” beginning on page 202 of this Red Herring Prospectus.

CURRENT SCENARIO & FUTURE OUTLOOK

The real estate sector in India has assumed growing importance with the liberalisation of the economy. Developments in the real estate sector as a whole are being driven by:

- Increasing demand for more housing units in cities and towns because of growing urbanisation of the Indian population, a burgeoning middle class, increased disposable income, easy availability of housing finance at cheaper rates and tax incentives;
- Increasing demand for office space from the growing IT/ITES industry, especially BPO;
- Increasing demand for shopping malls from the growing retail segment;
- Increasing demand for multiplexes from the evolving entertainment sector; and
- Increasing demand for hotels and resorts from the growing tourism industry and business travellers.
- These factors are also present regionally in the Pune and Bangalore real estate market.

The Residential Sector

India continues to face an acute shortage of housing units. Based on the 10th GoI Five Year Plan (2002-2007), the housing shortage is estimated at approximately 22 million units.

The prime reasons behind the growth in volume in the housing segment are population growth and urbanisation. Further, there is a boom in the organised urban housing segment extending to relatively prosperous rural belts. The census of 2001 indicates an urbanisation rate of 27.78%, which is expected to go up to 41% in the next 20 years (based on a population of 1.35 billion by 2021). This growing trend of urbanisation together with factors like faster growth in incomes in the middle and higher income categories, the decline in EMIs due to the fall in housing finance rates and the availability of tax incentives on housing loans are increasing the need for housing units in cities and towns. *(Source: 10th Five Year Plan (2002-07))*

The cost of housing as a multiple of the annual income of buyers has come down in recent years mainly because income levels have risen, while tax rates have fallen. With less tax and more income there is a greater surplus of money for people to spend. Moreover, even though interest rates have shown signs of increasing in recent months and most of the leading financial institutions have recently raised interest rates on loans, (Source: *RBI First Quarter Review of Annual Statement of Monetary Policy for the Year 2007-08 dated July 31, 2007*), prevailing interest rates remain lower than previous historic levels.

Aided by additional factors such as the increase availability of housing finance and favourable tax structures, the housing segment is expected to grow as shown in the table below. *(Source: CRIS INFAC)* In volume terms, the number of houses added by the middle and higher income housing groups, a category referred to as the urban-pucca-non-slum (UPNS) segment, which was estimated at 1.6 million in Fiscal 2005,is expected to grow at a CAGR of 4.1% and increase to approximately 1.93 million by Fiscal 2010. Similarly, the declared spending on new houses in the UPNS segment, which was estimated at Rs. 1,718 million in 2004-05, is expected to grow at a CAGR of 18.60% to Rs. 4,034 billion in Fiscal 2010. *(CRIS INFAC Annual Review on Housing Industry, January 2006)*

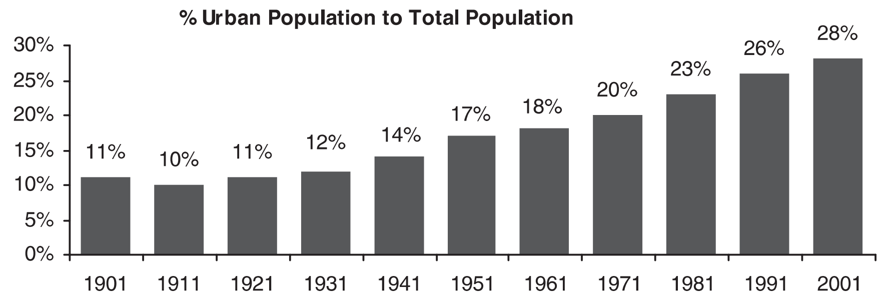
	Fiscal 2005	Fiscal 2006	Fiscal 2010P	CAGR (Fiscal 2005 to Fiscal 2010P)
Households added in UPNS segment (in ‘000s)	1,644	1,700	1,931	3.30%
Total FSA (Floor Space Area) added (million sq. meters)	164	171	203	4.50%
Total housing spend (Rs. billion)	1,718	2,097	4,034	18.60%

P: Projected

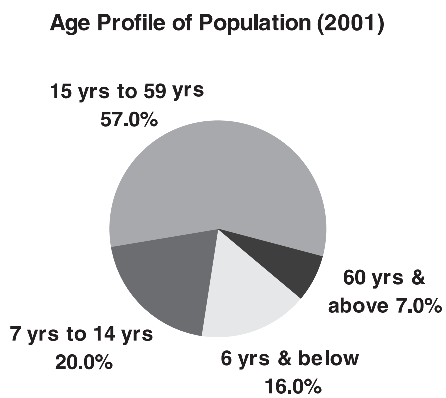
Source: CRIS INFAC

The demand drivers in the residential segment are:

Changing demographics and growth in disposable incomes: Changing demographics and rising disposable incomes have spurred demand for real estate in India. Urban population has increased from approximately 220 million in 1991 to 290 million in 2001 and is expected to continue to grow at a similar pace. By 2013, India is expected to add 91 million people to the working population (aged 25-44 yrs). Over the next 20 years, the working age population is projected to grow at 1.9% per annum. (Source: *Ministry of Urban Affairs, Government of India*). Favourable economic environment has led to a change in the income distribution pattern with an increasing concentration of families in the middle and higher income groups. Rising income levels and greater job creation, particularly in sectors such as business process outsourcing and insurance, is also resulting in enhanced demand for quality housing.



Source: *www.censusindia.gov.in*, *Census Data 2001*



Source: *www.censusindia.gov.in*, *Census Data 2001*

Shift in consumer preferences from rentals to home ownership: Due to the changing demographic profile in India, there has been a steady decline in the proportion of households staying in rented premises over the years. To a certain extent, this change may be attributed to the rising income levels of the population. However, with fewer properties available to rent today and an increase in the rent charged, consumers have found it more prudent to invest in property. An upward movement in the standard of living and increased availability of housing finance are expected to fuel this trend toward a declining proportion of households staying in rented premises. (Source: *Cris Infac Annual Review of Housing Industry, January 2006*)

Shrinking household size: The joint family system in India is gradually giving way to nuclear families. Factors such as increasing urbanization and migration for employment opportunities are expected to cause a decrease in the size of the average Indian household. Given India's increasing population, the contraction in the size of the average household offers a positive outlook for housing demand.

Fiscal Incentives: Another major contributing factor in boosting the growth of residential housing property is income tax incentives on housing loans.

The Commercial Segment:

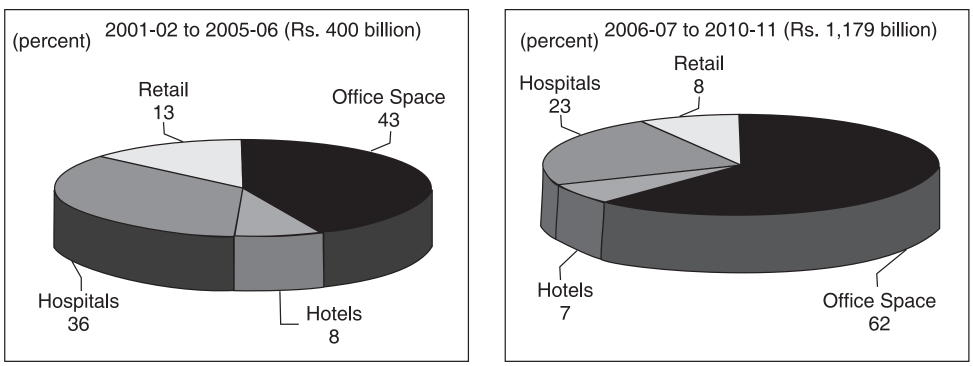
The commercial real estate market in India has evolved in response to a number of changes in the business environment. The IT/ITES/BPO sectors have been the drivers of the commercial real estate demand in the country.

Large space requirements by the IT/ITES/BPO sectors have led to real estate growth being spread beyond the chief business locations to the suburban and peripheral locations of major cities. As a result, over recent years, locations such as Pune, Bangalore and other cities such as Gurgaon, Hyderabad, Chennai and Kolkata have evolved and have established themselves as emerging business destinations, increasingly competing with the traditional business destinations of Mumbai and Delhi as far as commercial real estate occupancy is concerned. The key to the growth of these destinations has been their ability to provide the necessary human resources base with the required skill sets, competitive business environment, operating cost advantages and quality of urban infrastructure offered.

It is expected that India will continue to be one of the preferred destinations for setting up back office operations. Consequently, the growth in the sector is expected to translate into substantially higher demand for commercial space, adding to the overall investment in real estate activities.

Investment in commercial construction is expected to increase threefold over the next 5 years from Rs. 408 billion in Fiscal 2007 to Rs. 1,179 billion in Fiscal 2011 as shown in the table below. Investments in the commercial segment are likely to be driven by office space projects, which are expected to go up from Rs. 737 billion over the next 5 years compared to Rs. 174 billion worth of investments made over the previous 5 years. Within office space construction, 70-75% of the demand comes from IT/BPO/call centres. Other key demand drivers include banking and financial services, fast-moving consumer goods (FMCG) and telecom. This dependency on IT/ITES is expected to continue due to India's emergence as a preferred outsourcing destination, despite the emergence of China and Russia as strong contenders. Hospitals are expected to generate total construction demand worth Rs. 267 billion over the next 5 years. (Source: *CRIS INFAC CONSTRUCTION REVIEW: MAY 2007*)

Commercial construction investments



(Source: *CRIS INFAC CONSTRUCTION REVIEW: MAY 2007*)

The Retail Segment

The increase in disposable incomes, demographic changes (such as the increasing number of working women, who spend more, the rising number of nuclear families and higher income levels within the urban population), the change in the perception of branded products, the growth in retail malls, the entry of international players and the availability of cheap finance will drive the growth in organised retail.

Movement towards smaller cities

India has four major metropolitan areas: Mumbai, Delhi, Kolkata and Chennai. Initially, most retail players launched their ventures in these metros. However, recently, the retail phenomenon is spreading to smaller metropolitan areas and smaller cities. Players are entering these cities early to gain a first-mover advantage, that is, a larger customer base and a higher share of loyal customers. Over the past few years, these cities' share of organised retail has been growing steadily.

Of the total malls space expected to be available by 2010, Mumbai, Pune, NCR (including Gurgaon, Noida, Greater Noida, Faridabad and Ghaziabad), Bangalore and Hyderabad will have a major share. The balance will be made up by less developed cities such as Kolkata, Chennai, Ahmedabad, Jaipur, Nagpur, Lucknow, Indore, Ludhiana and Chandigarh.

Rising income levels and a changing outlook towards branded goods is expected to translate into higher demand for shopping mall space, fueling strong growth in mall development activities. CRISIL research expects an investment of Rs. 176 billion in organized retailing over the next 5 years(1). Even though mall development activity was initially restricted to a few major cities like Mumbai and Gurgaon, it is now expected to extend to other cities like Surat, Pune and Ahmedabad, thus causing increases in real estate activity in those cities. *(Source(1): CRIS INFAC CONSTRUCTION REVIEW: MAY 2007)*

Hotels

The increase of disposable income in the hands of an upwardly mobile Indian middle class has led to a growing propensity to spend a larger portion of income on tours and travel. This factor, coupled with the changing lifestyle of the Indian population, has created demand for quality hotels across India. In addition, India is also emerging as a major destination for global tourism and business travel, which in turn is increasing the demand for hotels across India. This increasing demand for hotels across India is offering another opportunity for real estate development.

The Hospitality industry is witnessing significant changes in its dynamics with increases in both tourists and business travellers to India. As per the World Travel and Tourism Council, 2006 ("WTTC"), India's travel & tourism industry was expected to grow 8.4% in 2006 and by 8% per annum, in real terms, between 2007 and 2016. WTTC has also recognized India as one of the emerging tourism markets having the potential to earn US$24 billion in annual foreign exchange through tourism by 2015. With the industry having been expected to grow at 8-9% in 2006, the number of business travelers to the country was also likely to increase. (Source: *Central Statistical Organisation*)

CHALLENGES FACING THE INDIAN REAL ESTATE SECTOR

- *Lack of national reach of existing players.* Considering the peculiar features of the real estate sector such as the differing tastes of population across various geographies, difficulties with respect to mass land acquisition in unfamiliar locations, absence of business infrastructure to market projects in new locations, wide number of approvals to be obtained from different authorities at various stages of construction under the local laws and the long gestation period of projects, most real estate developers in India are regionally based and active in areas where the conditions are most familiar to them. As a result, currently there are very few players in the country who can claim to have a national area of operations.

- *Majority of market belonging to unorganised segment.* The Indian real estate sector is highly fragmented with a disorganised segment made up of the small builders and contractors, who account for a majority of the housing units constructed. As a result, there is a lesser degree of transparency in dealings or sharing of data across players.

- *Demand dependent on many factors.* A challenge that real estate developers face is generating the requisite demand for the properties constructed. The factors that influence a customer's choice in property is not restricted to quality alone, but is dependent on a number of other external factors, including proximity to urban areas, amenities such as schools, roads and water supply, each of which are often beyond the developer's control. Demand for housing units is also influenced by policy decisions relating to housing incentives.

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

- *Interest rates.* One of the main drivers of the growth in demand for housing units is the availability of finance at low rates. Interest rates, however, have shown signs of increasing in recent months and most of the leading financial institutions have recently raised interest rates on loans (Source: *RBI First Quarter Review of Annual Statement of Monetary Policy for the Year 2007-08 dated July 31, 2007*). This trend of rising interest rates may dampen the growth of demand for housing units.

- *Tax incentives.* The existing tax incentives available for housing loans are one of the major factors influencing demand. These tax incentives, however, based on recommendations of various committees and panels, are likely to be withdrawn.

BUSINESS

Overview

We are a real estate development company in India that develops and constructs properties mainly in Pune and also in Bangalore. Pune is the eighth largest city in India with a population of approximately 4.8 million, while Bangalore is the third largest city in India with a population of approximately 6.2 million.

As of September 30, 2007, we have developed and constructed 25 projects, including 22 in Pune and 3 in Bangalore, covering a total of approximately 4.01 million square feet of Saleable Area. Of these 25 projects, we have completed

- 16 residential complexes,
- 4 commercial complexes,
- 3 complexes designed for mixed residential & commercial use, and
- 2 information technology parks.

As of September 30, 2007, we are in the process of developing 28 projects, including 24 in Pune, and 4 in Bangalore. These projects are being developed

- with the aim of generating over 17.80 million square feet of Saleable Area on 21.61 million square feet of land area, and
- to include 5 IT parks, 11 commercial complexes, 10 residential complexes, 1 serviced apartment building and 1 integrated township.

Also, as of September 30, 2007, we owned, held development rights for or had signed memoranda of understanding to acquire or develop 21.58 million square feet of Saleable Area on 32.88 million square feet of Land Area.

Please refer to the section titled “Risk Factors” for risks associated with our properties.

We have been in the real estate development business since our incorporation in 1991. We received the Government of Maharashtra’s First Prize for “Best IT Infrastructure in the State of Maharashtra” for our GigaSpace IT Park project in Viman Nagar, Pune. We have been accredited in the real estate and construction industry with an ISO 9001 (2000 series) certification since May 2002.

For three of our larger projects, we have entered into joint venture agreements with funds managed by a real estate private equity fund in India, ICICI Venture Fund Management Company Ltd. (“ICICI Venture”). For these projects we have identified and acquired lands, invested equity, designed and conceptualized the projects and served as project manager and developer. Funds managed by ICICI Venture have provided equity and equity-linked financing for the projects. We have entered into a joint venture agreement with K2 Property Limited (a subsidiary of Yatra Capital Limited, a Jersey-based real estate fund) for the development of some of our properties. Such relationships provide us with the ability to capitalize quickly on new and bigger opportunities, raise equity and debt and undertake large-scale development projects.

In the last few years, the real estate development sector in India has shown a substantial increase in demand. With the prospect of continued future growth in the Indian economy, and the continued expansion of the Indian middle classes and Indian commerce, we believe that we are well positioned to continue to grow our revenues, our profits and our business.

Our Competitive Strengths

We believe that the following are the principal competitive strengths that have contributed to our current position in the real estate development sector:

We have a reputation for quality, design uniqueness and transparency

We believe that we have developed a reputation with our customers in Pune and Bangalore and with investors in India and overseas for quality, design uniqueness, transparency in our dealings and the delivery of projects in a timely manner. We have been accredited in the real estate and construction industry with an ISO 9001 (2000 series) certification since May 2002. In August 2006 we received the Government of Maharashtra’s First Prize for “Best IT Infrastructure in the State of Maharashtra,” for our GigaSpace IT Park project in Viman Nagar, Pune.

We have an ongoing relationship with a real estate private equity fund manager in India, which helps enable us to pursue large-scale development projects

Recently, in regard to three of our larger projects, we have entered into separate joint ventures with funds managed by a real estate private equity fund in India, ICICI Venture. In these projects, we act as an investor, project manager and developer while ICICI Venture provides investment through equity and equity-linked instruments. Our ongoing relationship with ICICI Venture enables us to pursue larger projects such as IT Parks, integrated townships and large-scale residential projects.

We have land reserves of approximately 32.88 million square feet and an ability to identify new projects.

An important element of our success is our acquisition of land in Pune and Bangalore. As of September 30, 2007, our land reserves included approximately 32.88 million square feet (approximately 755 acres) of estimated Developable Land Area in and around Pune and Bangalore. We actively attempt to identify and acquire land that may be available for sale in areas where our customers demand residential or commercial projects or where we foresee development in the future. We have the ability to assess the potential of a location, identify locations that are relatively underdeveloped and gain the first mover advantage in such locations at a reasonable cost.

We are managed by an experienced senior management team

We are managed by an experienced senior management team. Our technical team has experience in the design, engineering, marketing and construction of large-scale development projects. Furthermore, our senior management team, which is in charge of operations, finance, sales and marketing, business development and strategic planning, has more than 100 years of combined experience in the industry. The full-time employees in our wholly-owned subsidiary Regenesis Project Management Company Private Limited ("Regenesis") provide a variety of services for the group, including research on proposed project locations, project management and marketing.

We believe the quality of our management team have been instrumental in implementing our business strategies.

We have access to both an in-house marketing team and a network of real estate agents and brokers

We have an in-house sales and marketing team in our head office that interacts directly with customers and real estate investors. The marketing team specializes in the direct marketing of our IT projects. Additionally, we have an in-house land sourcing team that specializes in the sourcing of lands. We also have access to a network of real estate agents and brokers who not only source lands but also market our various projects. We believe that our sustained and structured marketing effort over the cycle of a project results in the broad exposure of our products to target audiences.

We have a diversified portfolio within the Pune real estate sector

We have a diversified portfolio within the Pune real estate sector. Our commercial buildings are customized to cater to the demographics of the localities in which they have been constructed. We have developed residential complexes and an IT Park, and we are developing or planning new types of properties such as serviced apartment projects and integrated townships.

Our Strategy

We pursue the following strategies to increase our market share and to maintain our reputation for quality:

Diversify the portfolio of projects we undertake and our business activities

We undertake a diverse range of projects. We position ourselves to capitalize on the opportunities generated by various sectors of the Indian economy. For example, we intend to undertake the development of serviced apartments complexes and IT parks and may undertake the development of hotel properties, with or without financial or strategic partners. We may retain such developed hotel properties and operate such properties through a hospitality management company to be set up and controlled by us.

Expand into emerging local markets across India

While we plan to continue to develop projects in and around Pune and Bangalore, we also plan to target future investments in such high-growth markets as Hyderabad and Chennai. In recognition of the fact that a large percentage of the population of India is located in cities other than its largest cities, we also plan to expand to such locations as Nasik, Goa, Nagpur, Aurangabad and Mysore. Our strategy is to obtain an early mover advantage in these lesser developed cities and towns.

Cultivate long-term relationships with major financial institutions and others

We cultivate long-term relationships with major financial institutions, real estate funds and individual investors as joint venture partners and co-investors in future projects. Entering into co-investor relationships with financial institutions and real estate funds provides a number of benefits, including a lower cost of funds; access to larger fund pools; improved sourcing capabilities; assistance in entering new markets; and access to the expertise and general manpower of the organization. The expertise and resources available to us as a result of such relationships improve our ability to assess the economic risks involved in potential deals and thereby allow us to make more informed investment decisions. India's financial institutions also maintain good standards of corporate governance and require the same from their partners.

Maintain our standards of quality

We believe that the projects we develop are generally of quality and that we have a reputation for developing quality projects. We maintain our standards with respect to sourcing lands, designing and constructing projects, selecting subcontractors, purchasing supplies, hiring employees, being transparent in our dealings and delivering our projects on time. We believe that taking these steps enable us to maintain our reputation, which in turn contributes to the growth of the Company.

Recruit and retain qualified professionals

Because we believe that our employees are key contributors to our business, we continue to focus on attracting, training, motivating and retaining skilled and experienced professionals in the real estate development industry. To accomplish this, we have decided to incentivize employees, including, in particular, employees of our wholly owned subsidiary Regenesis, by offering them stock options in the Company.

Our Operations

Our operations are principally based in and around Pune and to a lesser extent in Bangalore.

The City of Pune

Pune, including Pimpri-Chinchwad, is the eighth largest city in India with a population of approximately 4.8 million. Located just 160 kilometers from Mumbai, it is the second largest city in the State of Maharashtra and the sixth largest metropolitan economy in India. The Mumbai-Pune Expressway has contributed to Pune's flourishing as an IT destination, and the city has a rapidly growing software industry. Traditionally, Pune has been a highly regarded educational centre. It has a large number of educational institutions, including engineering, medical and management institutes and universities. In addition, it is a highly industrialized city with many engineering and automobile companies.

Pune has become a preferred location for offshore businesses, largely because of its abundance of highly educated manpower and its pro-business government initiatives. The Government of Maharashtra has plans to develop the Mumbai-Pune area as an IT corridor where facilities required by software exporters will be made widely available. IT companies in Pune include IBM, Infosys, Veritas, Tata Technologies, TCS, Tech Mahindra, KPIT Cummins, Wipro, WNS, Zensar, Cognizant, Lloyds TSB, Xansa, PCS, Satyam, Axa and Symphony, among others. In an effort to further attract investment and promote development, the Government of Maharashtra has provided certain concessions on stamp duty and exemptions from sales tax, electricity duty, and Octroi in both public and private IT parks. Similarly, the benefits available to 100% Export Oriented Units, such as exemptions from service tax, excise duty and import duty, are also available to these IT parks. Pune is traditionally a preferred location for automobile, auto ancillary and other multinational and Indian companies, such as Tata Motors, Kinetic, Bharat Forge, Bajaj, Mercedes Benz, Fiat, General Motors, JCB, Sandvik Asia, Cummins, Kirloskars, Alfa Laval, Bluescope, SKF, Thermax, Century Enka, Whirlpool, Man Automobiles, LG, Sharp and Panasonic, among others.

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

The City of Bangalore

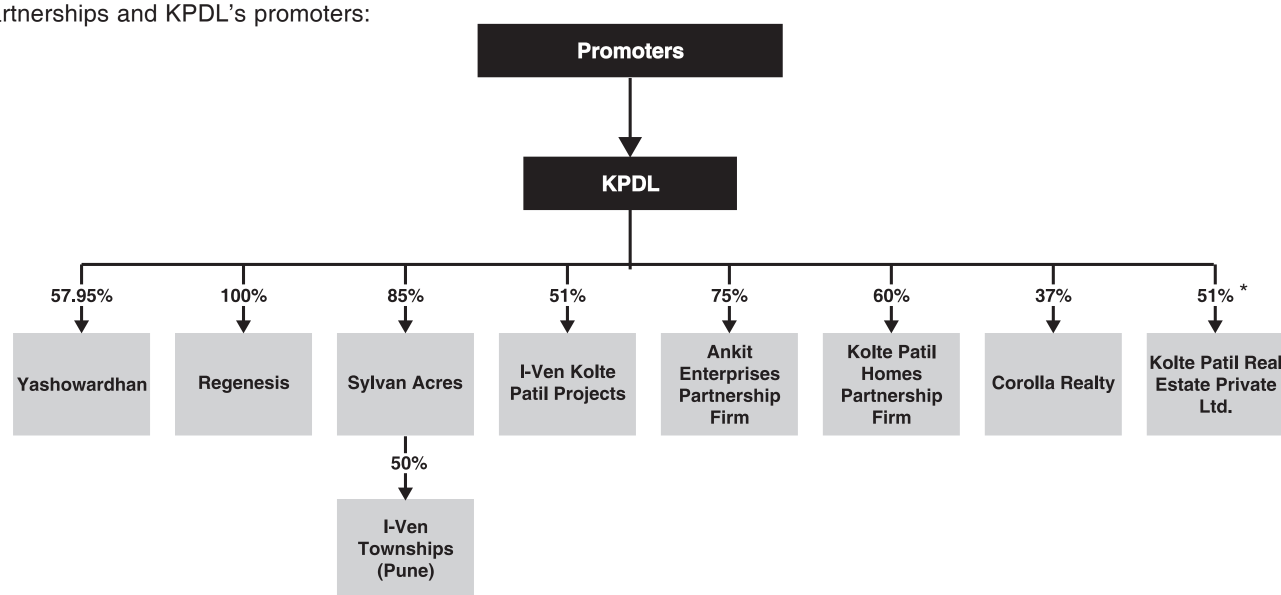
Bangalore is the capital of the State of Karnataka. It is one of Asia's fastest growing cities and has a population of approximately 6.2 million, making it India's third-largest city and its fifth-largest metropolitan area. It is home to prestigious educational and research institutions, and has the second-highest literacy rate among India's metropolitan areas. Bangalore's per capita income is the highest for any Indian city. Its renowned IT industry is centered in two main areas — Whitefield and Electronics City. Infosys and Wipro, India's 2nd and 3rd largest software companies, have large campuses in Electronics City.

Bangalore is often referred to as the Silicon Valley of India and accounts for over a third of the nation's software exports. In addition to IT and ITES, the automobile, aviation, garment, finance and real estate industries have also shown strong growth in the past five years. The current layout of the city is about to be revised and substantial infrastructure development in the form of an outer ring road and mass rapid transit system undertaken.

Our Corporate Structure

Our corporate structure includes Kolte-Patil Developers Ltd. ("KPDL") and its subsidiaries, as well as the joint venture companies and partnerships that KPDL controls. KPDL engages in developments directly, through its subsidiaries and controlled joint venture companies and partnerships and also in certain circumstances through other joint arrangements. As a whole, the group has approximately 341 employees other than contract labourers.

The following chart illustrates the connections among KPDL, its subsidiaries and controlled joint venture companies and partnerships and KPDL's promoters:



** KPDL presently owns 100% of Kolte Patil Real Estate Private Limited, pending finalisation of JV arrangements. For details please refer to section "Joint Venture Agreements" on page 71.*

Yashowardhan Promoters & Developers Pvt. Ltd. ("Yashowardhan") is a joint venture that is presently 57.95% owned by Kolte-Patil Developers Ltd. and 42.05% owned by the Gurnani-Shivlani Group. We are developing Dew Drops, a residential and and Shopper's Orbit, commercial complex in Vishrantwadi in Pune, through this joint venture.

Regenesis is a wholly owned subsidiary of the Company. It provides a variety of special services for the group, such as research on proposed project locations, project management and marketing. Regenesis has hired professionals from the real estate business who are experienced in the planning, procurement, implementation, funding and marketing of real estate projects. Regenesis is a party to joint venture agreements in which it will share in the profits of certain projects after profit distributions to the joint venture partners surpass the internal rate of return thresholds set forth in the joint venture agreements for those projects. Certain of our joint venture agreements with ICICI Venture have such provisions relating to Regenesis. Under these agreements, the Company will earn its profit share as a developer and Regenesis will earn its profit share as a provider of specialist services and marketing expertise. Because Regenesis is a wholly owned subsidiary of the Company, all profit so earned by Regenesis will be to the benefit of and consolidated with the results of the Company.

Sylvan Acres Realty Pvt. Ltd. ("Sylvan Acres") is a company of which we own 85% and that we control, and that in turn is a 50:50 joint venture partner in I-Ven Townships (Pune) Pvt. Ltd. The other partner in I-Ven Township (Pune) Pvt. Ltd. is ICICI Venture. Through Sylvan Acres and the joint venture, we intend to develop an integrated township project at Jambhe-Marunji of up to 400 acres near Rajiv Gandhi IT Park in Pune. This will be a phased development that we expect to finish in pieces over the next three to five years.

I-Ven Kolte-Patil Projects (Pune) Pvt. Ltd. is a joint venture that is 51% owned by KPDL and 49% owned by ICICI Venture. We are developing an IT Park in Kharadi, near Pune, through this joint venture. The total size of this IT Park would be approximately 1.2 million square feet. I-Ven Kolte-Patil Projects (Pune) Pvt. Ltd. will also undertake the development of a residential complex at Kharadi.

Ankit Enterprises and Kolte-Patil Homes are each partnership concerns through which we are developing residential projects, one in Pune and one in Bangalore. Our minority partners in these firms include our Promoters and members of our Promoter Group.

Corolla Realty Pvt. Ltd. ("Corolla Realty") is a joint venture that we recently formed with ICICI Venture and Mr. Ishwar Goyal, who is the provider of the land to be developed by Corolla Realty. Corolla Realty is 37% owned by KPDL, 37% owned by ICICI Venture and 26% owned by Mr. Goyal. We are developing a proposed residential project and in Wagholi, Pune through this joint venture.

In addition to the above, Kolte-Patil Real Estate Private Ltd. ("KPRE") is a joint venture that we intend to undertake with K2 Property Limited, a Jersey-based real estate fund. KPRE is proposed to be 51% owned by KPDL and 49% owned by K2 Property Limited. We intend to develop residential and commercial projects which are FDI-compliant in Kharadi (S. No. 53/54), Mohammadwadi and Bavdhan through this joint venture, in accordance with the terms of the planned joint venture agreement.

Moreover, we plan to enter into the hospitality sector through a joint venture with Arora International Hotels ("Arora"), a UK-based hotelier, for the development of at least two hotel properties. On September 7, 2007, the Company and Arora signed a term sheet outlining the key terms for developing the land situated at Nagar Road, Pune and Hosur Road, Bangalore as two hotels or any other use permissible under the local development regulations (the "Hotel Projects"). The final plans for the Hotel Projects are to be mutually agreed by the parties.

The Hotel Projects are to be developed through an SPV. The Company would hold development rights and an irrevocable power of attorney from the owner of the said lands has a clear and marketable title thereto free from encumbrances. The rights of the Company are to be transferred to the SPV at cost.

The SPV is proposed to be 51% owned by the Company and 49% owned by Arora. The parties have agreed to provide jointly any corporate guarantees and/or personal guarantees required for availing debt finance for the Hotel Projects. The Hotel Projects will be managed jointly by a Committee consisting of representatives of the parties and will be co-branded to reflect both the Company's and Arora's brands.

The parties have also agreed to incorporate a hotel management company on certain broad terms as agreed in the term sheet. The hotel management company would be board managed by a board of 4 directors, with 2 nominated by each party. The Company will have the right to nominate the chairman of the board. The hotel management company is proposed to be 50% owned by the Company and 50% owned by Arora. The term sheet is only an understanding between the parties to be formalized in pursuance of the terms contained in the term sheet.

In addition to the projects we undertake through the group structure described above, we also from time to time enter into joint development and other agreements that do not involve the formation of subsidiaries, joint venture companies or partnerships. Currently, we have one serviced apartment project (our Green Olive Venture project in Hinjewadi, Pune) being developed under a joint development agreement. Such joint development is in the nature of an association of persons, and no SPV is contemplated or formed thereby. Unlike an SPV, which is responsible and liable for all activities undertaken through it, our joint development is arranged so that our partner undertakes the responsibility of providing land free from all encumbrances to us, and we undertake development. We undertake the development at our cost and market and sell the developed project. All revenues are collected in a separate account and the parties agree to share the revenues in an agreed proportion.

Our Completed Projects

Residential Projects

As of September 30, 2007, we have developed 13 residential projects in Pune and 3 in Bangalore. We have also developed 3 projects in Pune that were designed for mixed residential and commercial use. We develop a wide range of residential projects with varied locations, designs, specifications and areas. We analyze various qualitative and quantitative data obtained through market research undertaken by an internal development team and consider a number of factors, including relevant demographic trends and economic parameters. The composition of the development is determined accordingly.

We generate revenue from the sale of individual and group housing units. In the past, we have not retained any of our residential properties for rentals. However, we intend to retain 2 of our ongoing projects — namely, hotel project next to Gigaspace IT Park Pune and Floriana Estate – II at Koramangala, Bangalore for rental after their completion. The total stand-alone revenue generated by sales of residential units during Fiscal 2007, Fiscal 2006 and Fiscal 2005 was Rs. 182.83 million, Rs. 309.23 million and Rs. 77.76 million, respectively.

As of September 30, 2007, our 16 completed residential projects (and our 3 mixed residential and commercial projects), their location, year of completion, Saleable Areas and the entity through which such projects were developed were as set forth below:

Completed Residential Project	Location	Year of Completion	Saleable Area (in sq. ft.)	Entity
Greenfields	Pune	1994	125,534	KPDL
Patil Regency	Pune	1994	68,000	KPDL
Patil Heritage	Pune	1995	46,000	KPDL
Orchids	Pune	1996	13,000	KPDL
Precious Gem	Pune	1999	45,000	KPDL
Ragdari - Conifer	Pune	2000	153,629	KPDL
Misty Moors	Pune	2001	48,330	Ankit Enterprises
Hills & Dales	Pune	2004	224,676	Ankit Enterprises

Completed Residential Project	Location	Year of Completion	Saleable Area (in sq. ft.)	Entity
Maestros	Pune	2004	334,997	Ankit Enterprises
Rose Parade *	Pune	2004	237,631	Ankit Enterprises
Sovereign	Pune	2004	82,270	KPDL
Pink City	Pune	2005	109,513	Ankit Enterprises
Lapis Lazuli **	Pune	2006	171,045	Ankit Enterprises
Mayur Pankh (residential and commercial)	Pune	2000	55,000	KPDL
Floriana Estate (residential and commercial)	Pune	2003	226,415	KPDL
Green Acres (residential and commercial)	Pune	2006	210,000	KPDL
Floriana Estate	Bangalore	2004	59,633	KPDL
Surabhi	Bangalore	2004	139,392	KPDL
Whispering Meadows	Bangalore	2005	217,874	KPDL
Total			**2,567,939**	

* One building out of a total of five buildings is still under construction.

** One building out of a total of four buildings is still under construction.

Commercial Projects

As of September 30, 2007, we had developed 4 commercial complexes and 2 information technology parks in Pune. We had also developed 3 projects in Pune that were designed for mixed residential and commercial use, and are described above with our completed residential properties.

With respect to commercial projects, we generate revenue from licensing the commercial space until we sell it. Licensing of commercial space is typical in India and is comparable to the leasing of commercial space in other countries. We generally license commercial spaces developed by us to end-users and then sell the ownership interests to investors. We sometimes sell commercial spaces before we have licensed the spaces.

Total revenue generated by the sale of commercial and IT Park space Fiscal 2007, Fiscal 2006 and Fiscal 2005 was Rs. 1,374.67 million, Rs. 207.31 million and Rs. 212.27 million, respectively. Total revenue generated from the licensing of commercial space during the Fiscal 2007, Fiscal 2006 and Fiscal 2005 was Rs. 25.48 million, Rs. 14.59 million and Rs. 15.34 million, respectively.

As of September 30, 2007, our 6 completed commercial projects (not including our 3 mixed residential and commercial projects, which are described above), their location, year of completion and Saleable Areas were as set forth below. KPDL was the sole entity through which all such projects were developed:

Completed Commercial Project	Location	Year of Completion	Saleable Area (in sq. ft.)
Patil Plaza	Pune	1994	80,000
Patil Arcade	Pune	1994	32,000
City Mall	Pune	2004	76,485
City Point & City Tower	Pune	2001	187,562
GigaSpace IT Park	Pune	2006	724,336
E-Space *	Pune	2006	339,553
Total			**1,439,936**

*Out of 4 buildings, 3 have been completed and 1 is being constructed.

Our Ongoing and Proposed Projects

As of September 30, 2007, we had 28 projects in different stages of development, including 24 in Pune and 4 in Bangalore. 19 projects have received local government approvals for construction, in the form of construction commencement certificates, and are in various stages of construction. These include 3 IT parks, 8 commercial complexes, 7 residential complexes and 1 serviced apartment project. An additional 9 projects are the subject of pending applications for construction commencement certificates. These include 2 IT parks, 3 commercial and 3 residential projects as well as 1 integrated township project. All together, we have over 5.48 million square feet of Saleable Area in the construction phase and 12.32 million square feet of Saleable Area with construction approvals pending.

The following table provides information about our ongoing projects that as of September 30, 2007 were in the construction phase, including identification of the entity through which such projects are being developed:

Ongoing Project	Location	Expected Year of Completion	Expected Saleable Area (in sq. ft.)	Land Area (in sq. ft.)	Entity	Present Status of the Projects
IT Parks:						
Nanospace IT Park, Baner	Pune	2008	95,520	43,056	KPDL	RCC, Brickwork and plastering are complete. Only final finishing work is in progress.
Ispace IT Park, Bavdhan – II	Pune	2008	67,419	51,667	KPDL	80% of Foundation is complete. Parking, podium and Upper 6 floors to be completed still.
E-Space, Nagar Road *	Pune	2008	185,649	77,171	KPDL	Foundation work to commence soon.
Sub total			**348,588**	**171,894**		
Commercial:						
GigaSpace – Commercial project	Pune	2008	400,067	185,110	KPDL	Layout plan is sanctioned. Foundation work to commence soon.
Bizzbay	Pune	2008	15,980	73,443	KPDL	For 52% of the project, RCC, Brickwork, and plastering is complete. Only finishing work is in progress. Ready for occupancy by Dec. 2007. For remaining 48 % of the project, RCC work of Ground + 2 floors is in progress.
Shoppers Orbit – Retail	Pune	2008	126,076	100,816	Yashowardhan	RCC complete and part of brickwork is complete. Finishing work and services work*** is in progress.
GigaSpace Highstreet (shopping)	Pune	2008	20,455	46,890	KPDL	Building ready. Only finishing work is in progress.
GigaSpace 3 (commercial)	Pune	2008	115,255	264,220	KPDL	Building ready. Only finishing work is in progress.
GigaSpace 4 (amenity space)	Pune	2008	19,405	15,555	KPDL	RCC complete. Brickwork, plastering and finishing work is in progress.
Richmond Road	Bangalore	2008	43,000	19,600	KPDL	Foundation work is in progress.
Koramangala	Bangalore	2008	135,000	60,334	KPDL	Foundation work is in progress.
Sub total			**875,238**	**765,968**		

Residential:						
Wagholi – Green Groves	Pune	2009	398,349	396,115	KPDL	Foundation complete. RCC and brickwork in progress.
Lapis Lazuli **	Pune	2008	46,745	152,451	Ankit Enterprises	Building ready. Only finishing work and services work*** is in progress.
Dew Drops	Pune	2009	221,355	193,018	Yashowardhan	RCC complete. Brickwork, plastering, finishing work and services work*** is in progress.
Pink City II	Pune	2008	147,023	219,586	Ankit Enterprises	RCC and Brickwork complete. Finishing work in progress.
Whispering Meadows II at Dollors Colony	Bangalore	2009	380,000	163,230	KPDL	Foundation work is in progress.
Rose Parade II ****	Pune	2008	35,550	155,203	Ankit Enterprises	Foundation work is in progress.
Wagholi Lush ***** County	Pune	2011	2,765,189	3,354,267	Corrolla Realty	Foundation work is in progress.
Sub total			**3,994,211**	**4,633,870**		
Serviced apartment projects:						
Hinjewadi Serviced Apartments	Pune	2008	260,844	254,030	Green Olive	Foundation work is in progress.
Sub total			**260,844**	**254,030**		
Total			**5,478,881**	**5,825,762**		

* Out of 4 buildings, 3 have been completed and 1 is being constructed.
** One building out of a total of four buildings is still under construction.
*** Services work includes installation of electricity supply, elevators, water supply, drainage and fire fighting equipment.
**** One building out of a total of five buildings is still under construction.
*****Rs. 111.06 million is still payable towards the land cost of Wagholi Lush County project.

Some of our major ongoing projects include:

- Gigaspace commercial Project: This is a commercial complex to be constructed at Viman Nagar, a developing area of Pune. The project is being undertaken by KPDL alone.
- Shoppers Orbit and Dew Drops: This is a mixed commercial and residential project under construction at Vishrantwadi, Pune. The project is a joint venture between KPDL and the Gurnani-Shivlani Group.
- Koramangala Commercial: This is a commercial project under construction at Koramangala, Bangalore. This project is being constructed by the Company on its own.
- Wagholi-Green Groves: This is a residential project under construction at Wagholi, Pune. This project is being constructed by the Company on its own.
- Whispering Meadows – II: is a large residential project under construction at Dollars Colony, Bangalore. This project is being constructed by the Company on its own.
- Wagholi Lush County Project: This is a residential project consisting of row houses and independent bungalows. The location in Wagholi is in close proximity to our Kharadi IT Park in Pune. The project is a joint venture among the landowner, ICICI Venture and KPDL.
- Hinjewadi Serviced Apartment Project: This project would be our maiden venture in the hospitality sector and would cater to the needs of IT/ITES professionals who work in the Hinjewadi IT Park. The development of the project is being undertaken pursuant to our Green Olive Venture joint development agreement.

The following table provides information about our proposed projects that as of September 30, 2007 had construction approvals pending, including identification of the entity through which such projects are being developed:

Proposed Projects	Location	Expected Year of Completion	Expected Saleable Area (in sq. ft.)	Land Area (in sq. ft.)	Entity
IT Parks:					
Bavdhan-I	Pune	2009	347,585	362,532	KPDL
Teraspace IT Park Kharadi IT (S. No. 40)	Pune	2010	1,136,522	537,124	I-ven Kolte Patil Projects (Pune) Pvt. Ltd.
Sub total			**1,484,107**	**899,656**	
Commercial:					
City Point 3 (Boat Club Road)	Pune	2011	199,865	193,289	KPDL
City Point 4 (Boat Club Road)	Pune	2008	25,562	125,252	KPDL
Gigaspace Platinum IT Park Commercial Project, Hosur Road	Bangalore	2008	799,826	175,786	KPDL
Sub total			**1,025,253**	**494,327**	
Residential:					
Pimple Nilakh *	Pune	2009	1,532,342	1,015,045	KPDL
Aleria Kharadi (S. No. 42)	Pune	2009	63,948	43,056	KPDL
Kharadi Residential (S. No. 53&54) *	Pune	2010	700,000	1,311,357	KPDL
Sub total			**2,296,290**	**2,369,458**	
Integrated township projects:					
Jambhe-Township	Pune	2013	7,515,364	12,024,582	I-Ven Townships (Pune)
Sub total			**7,515,364**	**12,024,582**	
Total			**12,321,014**	**15,788,023**	

*****Rs. 18.26 million and Rs. 54.50 million are still payable towards the land costs of the Pimple Nilakh and Kharadi (S. No. 53&54), projects respectively.

Some of our major proposed projects include:

- Pimple Nilakh Residential Project: This is a large project being developed at Pimple Nilakh, Pune. The project is close to the Rajiv Gandhi IT Park at Hinjewadi, Pune. The project is being undertaken by KPDL alone.
- I-Ven Township: We intend to develop an integrated township, with ICICI Venture as our partner, at Village Nere and Jambhe, situated near the Rajiv Gandhi IT Park at Hinjewadi, Pune.
- Teraspace IT Park Kharadi (S. No. 40): We intend to develop an advanced IT Park to be developed under Industrial Parks Scheme 2000 as a joint venture with ICICI Venture at Kharadi, Pune.
- Hosur Road Commercial Office and IT Park: We intend to develop commercial offices and an IT Park project at Hosur Road opposite Electronics City at Bangalore.
- Kharadi (S. No. 53&54) Residential: We intend to develop this project as a high-end residential apartment and bungalow scheme on Pune-Nagar Road at Kharadi, Pune.

We continuously look for new development projects and evaluate projects to take forward from the concept stage to the signing of memoranda of understanding and the acquisition of development rights. As a result, for any time after September 30, 2007, we may be adding to our lists of residential and commercial projects under consideration and development. Opportunities to undertake new projects may emerge quickly and we may enter into new projects with little or no advance notice to the market. We may also choose to postpone or abandon projects that we have had under development as of September 30, 2007.

Our Land Reserves

An important element of our ability to develop residential and commercial projects is our ability to find suitable land in Pune, Bangalore and, in the future, other parts of India. We actively attempt to identify and acquire land that may be available for sale in areas in which potential customers are interested in residential or commercial projects or in areas in which we foresee future economic and community development.

We continually search for new development rights or land to acquire. At any given time, we hold development rights, title or other interests in a number of land parcels as to which we have not yet sought construction commencement certificates. As of September 30, 2007, this land, its location, our present interest in the land, the Saleable Areas we expect to be able to develop on such land, the total areas of such land and the entities through which we expect to develop such land were as set forth in the table below. The various types of interest we hold in land are described immediately following the Land Reserves Table.

Land Reserves	Location	Present Interest	Expected Saleable Area (in sq. ft.)	Land Area (in sq. ft.)	Balance payable towards land (Rs. million) As of 30th Sept., 2007	Entity
Commercial Offices / IT Park:						
Aundh	Pune	Development rights	1,198,424	622,870	Nil	KPDL
Sub total			**1,198,424**	**622,870**		
Residential:						
Pimple Gurav	Pune	MOU	1,456,651	1,314,284	274.12	Ankit Enterprises
Mohammadwadi-I	Pune	MOU	631,711	505,369	263.98	KPDL
Mohammadwadi-I	Pune	Development rights	363,285	290,628	Nil	KPDL
Maple Leaves, Mohammadwadi-II (Sarin)	Pune	MOU	55,706	115,067	2.20	KPDL
Bavdhan - 3	Pune	MOU	975,000	1,000,000	670.00	KPDL
Urse	Pune	MOU	2,942,984	5,394,907	82.30	KPDL
Kalyani Nagar – S. No. 16, Pune	Pune	Development rights	257,828	220,367	2.21	KPDL
Savargaon	Near Pune	MOU	3,620,566	6,097,806	38.10	KPDL
Sus	Near Pune	MOU	1,293,188	1,089,000	248.90	KPDL
Kadamvakvasti (Loni)	Near Pune	MOU	1,257,505	2,515,009	392.22	KPDL
Chakan	Near Pune	MOU	4,211,415	8,422,830	819.53	KPDL
Hills & Dales III, Undri	Pune	Development rights	856,392	1,354,435	Nil	Ankit Enterprises
Sub total			**17,922,231**	**28,319,702**		
Township						
Jambhe II (KPDL)	Pune	Development rights	1,915,372	3,064,596	362.60	KPDL
Jambhe III	Pune	Agreement for sale	547,235	875,576	27.66	KPDL
Sub total			**2,462,607**	**3,940,172**		
Total			**21,583,262**	**32,882,744**		

Land Reserves Table

Given below is a summary of our land reserves providing details of land held in each category.

	Land Reserves (by category)	Type of Project	Land Area (in sq. ft.)	Percentage of all Land included in this Table	Estimated Saleable Area (in sq. ft.)	% of all Estimated Saleable Area included in this Table
(i)	**Land Owned by the Company**					
	1 By itself					
	a City Point 3 (Boat Club Road)	Commercial	193,289	0%	199,865	1%
	b City Point 4 (Boat Club Road)	Commercial	125,252	0%	25,562	0%
	c Hosur Road	Commercial IT with Retail	175,786	0%	799,826	2%
	d Richmond Road	Commercial/Retail	19,600	0%	43,000	0%
	2 Through its subsidiaries		0		0	
	3 Through entities other than (1) and (2) above		0		0	
	Sub total (i)		**513,927**	**1%**	**1,068,253**	**3%**
(ii)	**Land over which the Company has sole development rights :**					
	1 Directly by the Company					
	a Aundh	Commercial IT	622,870	1%	1,198,424	3%
	b Baner - IT (Nano Space)	Commercial IT	43,056	0%	95,520	0%
	c Bavdhan IT - 1	Commercial IT	362,532	1%	347,585	1%
	d Bavdhan IT - 2 (I Space)	Commercial IT	51,667	0%	67,419	0%
	e Pimple Nilakh	Residential	1,015,045	2%	1,532,342	4%
	f Wagholi - Metal Merchant (Green Groves)	Residential	396,115	1%	398,349	1%
	g Whispering Meadows II at Dollors Colony	Residential	163,230	0%	380,000	1%
	h Gigaspace - Mall (Commercial Project)	Commercial IT with Retail	185,110	0%	400,067	1%
	i E-Space	Commercial IT	77,171	0%	185,649	0%
	j Bizzbay	Commercial/Retail	73,443	0%	15,980	0%
	k Kharadi - Resedential (42) (Aleria)	Commercial IT	43,056	0%	63,948	0%
	l Kalyani Nagar - Survey No. 16	Residential	132,516	0%	155,043	0%
	m Kalyani Nagar - Survey No. 16 - additional land purchased	Residential	87,851	0%	102,785	0%
	n Giga Space 2 (Shopping) (GigaSpace Highstreet)	Shopping	46,890	0%	20,455	0%
	o Giga Space 3 (Commercial)	Commercial/Office	264,220	0%	115,255	0%
	p Giga Space 4 (Amenity Space)	Commercial/Retail	15,555	0%	19,405	0%
	q Mohammadwadi - II (Sarin) (Maple Leaves)	Residential	115,067	0%	55,706	0%
	r Mohammadwadi	Residential	290,628	1%	363,285	1%
	Sub total		**3,986,022**	**7%**	**5,517,217**	**15%**

	Land Reserves (by category)	Type of Project	Land Area (in sq. ft.)	Percentage of all Land included in this Table	Estimated Saleable Area (in sq. ft.)	% of all Estimated Saleable Area included in this Table
	2 Through its subsidiaries					
	a Dew Drops	Residential	193,018	0%	221,355	1%
	b Shoppers Orbit - Retail	Commercial/Retail	100,816	0%	126,076	0%
	c Kharadi 53 &54	Residential	538,200	1%	700,000	2%
	d Kharadi 53 &54 (with reservation)	Land	773,157	1%	0	-
	e Kharadi 40 1A & 2A (Tera Space IT Park)	Commercial IT	537,124	1%	1,136,522	3%
	Sub total		**2,142,315**	**4%**	**2,183,953**	**6%**
	3 Through entities other than (1) and (2) above					
	a Wagholi Residential Bungalow (Lush County)	Residential	3,354,267	6%	2,765,189	7%
	b Jambhe - Township	Residential	12,024,582	22%	7,515,364	19%
	c Jambhe II (KPDL)	Residential	3,064,596	6%	1,915,372	5%
	d Jambhe III (KPDL)	Residential	875,576		547,235	
	e Undri	Residential	1,354,435	2%	856,392	2%
	f Koramangala	Commercial/Retail	60,334	0%	135,000	0%
	g Lapis Lazuli	Residential	152,451	0%	46,745	0%
	h Pink City II	Residential	219,586	0%	147,023	0%
	i Rose Parade II	Residential	155,203	0%	35,550	0%
	Sub total		**21,261,030**	**39%**	**13,963,870**	**35%**
	Sub total (ii)		**27,389,367**	**50%**	**21,665,040**	**55%**
(iii)	**Memoranda of Understanding / Agreements to acquire / letters of acceptance to which the Company and/or its subsidiaries and/or its group companies are parties, of which**					
	1 Land subject to government allocation		0			
	2 Land subject to private acquisition					
	a Mohammadwadi	Residential	505,369	1%	631,711	2%
	b Bavdhan - 3	Residential	1,000,000	2%	975,000	2%
	c Urse	Residential	5,394,907	10%	2,942,984	8%
	d Pimple Gurav	Residential	1,314,284	2%	1,456,651	4%
	e Savargaon	Residential	6,097,806	11%	3,620,566	9%
	f Sus	Residential	1,089,000	2%	1,293,188	3%
	g Kadamwakwasi (Loni)	Residential	2,515,009	5%	1,257,505	3%
	h Chakan	Residential	8,422,830	15%	4,211,415	11%
	Sub total (iii)		**26,339,205**	**48%**	**16,389,020**	**42%**
A	**Sub total (i) + (ii) + (iii)**		**54,242,499**	**100%**	**39,122,313**	**99%**
	Joint developments					
(iv)	**Land for which joint development agreements have been entered into**					
	1 By the Company directly					
	a Hinjewadi	Serviced Apartment	254,030	0%	260,844	1%
	2 Through the subsidiaries		0	0%		
	3 Through entities other than (1) and (2) above		0	0%		
	Sub total (iv)		**254,030**	**0%**	**260,844**	**1%**
(v)	**Proportionate interest in lands owned indirectly by the Company through joint ventures**					
	Not Applicable					
B	**Sub total (iv) + (v)**		**254,030**	**0%**	**260,844**	**1%**
C	**Total (i) + (ii) + (iii) + (iv) + (v)**		**54,496,529**	**100%**	**39,383,157**	**100%**

The table below describes categories of land reserves in the aforesaid table and risks associated therewith.

Category of Land Reserves	Brief Explanation	Associated Risks
Land Owned by the Company	These are land reserves over which the Company has exclusive and complete rights, including the right to develop and convey the same.	For risks associated with owned land reserves, please see "Risk Factors – Some of our immoveable properties may be subject to irregularities in title and some of our agreements may be inadequately stamped, as a result of which our operations may be impaired", "Risk Factors – We may not be able to increasing our existing land reserves by acquiring suitable sites", "Risk Factors – Some of our projects are in the preliminary stages of planning, and may not receive timely approval" and "Risk Factors – Our business is subject to extensive statutory and governmental regulations" on pages (xii), (xi), (xvi) and (xviii), respectively, of this Red Herring Prospectus.
Land over which the Company has sole development rights	These are land reserves in respect of which the Company has the sole rights to develop the property. The Company based on irrevocable power of attorney given by the land owners, has the right to transfer or convey the land to a party of its choice i.e. society or apartment owners' association.	For risks associated with land over which the Company has sole development rights, please see "Risk Factors – Less than 25% of the land being developed by our Company is owned by our Company", "Risk Factors – Some of our projects are in the preliminary stages of planning, and may not receive timely approval" and "Risk Factors – Our business is subject to extensive statutory and governmental regulations" on pages (x), (xvi) and (xvii), respectively, of this Red Herring Prospectus.
Land which is subject to government allocation or private acquisition in respect of which MoU/ Agreements to Acquire / Letters of Acceptance to which the Company and/ or its subsidiaries and/or its group companies are parties.	The Company would have rights which typically, would not include the right to obtain permissions and develop the land in question, and / or to convey the same, but would envisage the granting of these rights at a future point in time.	For risks associated with such land, please see "Risk Factors – We may not be able to acquire or register all or any of the lands for which we have entered into agreements to sell or MoUs", "Risk Factors – In the event that we are unable to acquire lands for which we have entered into agreements to sell, we may lose advances paid towards acquisition of such lands", "Risk Factors – Failure to obtain title to lands for which we have entered into purchase agreements may adversely affect our business prospects, financial condition and results of operation", "Risk Factors – Our ability to acquire lands depends on our ability to have a power of attorney executed in favour of persons nominated by us in relation to the lands we propose to acquire", and "Risk Factors – Less than 25% of the land being developed by our Company is owned by our Company" on pages (xiv, (xiv), (xiv), (xv) and (x), respectively, of this Red Herring Prospectus.
Land for which Joint Development Agreements have been entered into by the Company	These are lands over which the Company has joint development rights.	For risks associated with such land, please see "Risk Factors – We undertake some of our projects through joint development with third parties, which entails certain risk" and "Risk Factors – Less than 25% of the land being developed by our Company is owned by our Company" on pages (xv) and (x) of this Red Herring Prospectus.

Non Material Agreements

The table below sets forth agreements relating to Land Reserves that represent less than 10% of the “aggregate agreement value” of lands falling under the relevant category. As of September 30, 2007, we do not have any agreements relating to Land Reserves that represent at least 10% of the “aggregate agreement value” of lands falling under the relevant category.

Details of Land Reserves as per SEBI Requirement with respect to non-material agreements

Sr. No.		Land Reserves (Category wise)	Consideration (Rs. Millions)	Consideration (Rs. Millions) Paid as on September 30, 2007	Total Conside-ration (%)	Revocation Clauses
(i)	**Land Owned by the Company**					
	1	**By itself**				
	a	City Point 3 & 4 (Boat Club Road)	132.10	132.10	100%	N.A.
	b	Hosur Road	108.11	108.11	100%	N.A.
	c	Richmond Road	103.00	103.00	100%	N.A.
	2	Through its subsidiaries	Nil			
	3	Through entities other than (1) and (2) above	Nil			
(ii)	**Land over which the Company has sole development rights :**					
	1	**Directly by the Company**				
	a	Aundh	51.44	51.44	100%	N.A.
	b	Baner – IT	15.50	15.50	100%	N.A.
	c	Bavdhan IT - 1	99.70	99.70	100%	N.A.
	d	Bavdhan IT - 2	22.60	22.60	100%	N.A.
	e	Pimple Nilakh	178.27	160.01	90%	N.A.
	f	Wagholi - Metal Merchant (Green Groves)	53.50	53.50	100%	N.A.
	g	Whispering Meadows II at Dollors Colony	71.33	71.33	100%	N.A.
	h	Gigaspace - Mall (Commercial Project)	218.00	218.00	100%	N.A.
	i	E-Space	24.00	24.00	100%	N.A.
	j	Bizzbay	29.38	29.38	100%	N.A.
	k	Kharadi - Residential (42) (Aleria)	26.43	26.43	100%	N.A.
	l	Kalyani Nagar – Survey No. 16	115.85	113.61	98%	N.A.
	m	Mohammadwadi - II (Sarin) (Maple Leaves)	18.29	16.09	88%	N.A.
	n	Mohammadwadi	219.67	157.44	72%	
	2	**Through its subsidiaries**				
		Dew Drops & Shoppers Orbit	187.93	187.93	100%	N.A.
		Kharadi 53 &54, & Kharadhi 53 & 54 (Reservation)	175.00	120.50	69%	N.A.
		Kharadi 40 1A & 2A (Tera Space IT Park)	617.69	617.69	100%	N.A.
	3	**Through entities other than (1) and (2) above**				
		Wagholi Residential Bungalow (Corolla)	652.67	541.61	83%	N.A.
		Jambhe - Township	1,329.84	1,329.84	100%	N.A.
		Jambhe II (KDPL)	287.28	219.60	76%	N.A.
		Jambhe II (KDPL) – Additional	82.68	55.02	67%	N.A.
		Undri (Part 1&2)	54.03	46.68	86%	N.A.
		Koramangala	11.16	11.16	100%	N.A.
		Lapis Lazuli	5.15	5.15	100%	N.A.
		Pink City II	16.06	16.06	100%	N.A.
		Rose Parade II	22.94	22.94	100%	N.A.

Details of Land Reserves as per SEBI Requirement with respect to non-material agreements

Sr. No.		Land Reserves (Category wise)	Consideration (Rs. Millions)	Consideration (Rs. Millions) Paid as on September 30, 2007	Total Conside-ration (%)	Revocation Clauses
(iii)	**Memorandum of Understanding / Agreements to acquire / letters of acceptance to which Company and/or its subsidiaries and/or its group companies are parties, of which**					
	1	**Land subject to government allocation**				
	2	**Land subject to private acquisition**				
	a	Mohammadwadi	211.93	10.17	5%	1. In the event we defer/ delay/ avoid execution of sale deed/ development rights agreement in our favour within a period of one month from the date of execution of the MoU, the landowner has the right to terminate the MoU. If the landowner exercises his right to terminate the MoU, he has agreed to refund the earnest money received without interest. 2. In the event the landowner defers/ delays/ avoids execution of Sale Deed development rights agreement in favour of us within a period of one month from the date of execution of the MoU, we have the right to seek specific performance of this agreement

Details of Land Reserves as per SEBI Requirement with respect to non-material agreements						
Sr. No.		**Land Reserves (Category wise)**	**Consideration (Rs. Millions)**	**Consideration (Rs. Millions) Paid as on September 30, 2007**	**Total Conside-ration (%)**	**Revocation Clauses**
	b	Bavdhan - 3	750.00	80.00	11%	No termina-tion clause
	c	Urse	83.90	1.60	2%	We have the right to insist on specific performance in the event the landowner delays or refuses to execute a sale deed in our favour
	d	Pimple Gurav	274.62	0.50	2%	No termina-tion clause
	e	Savargaon	40.59	2.50	6%	The land-owner has agreed to comply with his obligations under the agreement within two months from the date of the MoU failing which we have the right to terminate without prior notice. We also have the right to recover the earnest money and the incidental expenses up to the date of termination.
	f	Sus	250.00	1.10	0%	No termina tion clause
	g	Kadamwakwasti (Loni)	410.30	18.08	4%	We have the right to insist on specific performance of this agreement
	h	Chakan	820.64	1.10	0%	We have the right to insist on specific performance of the Agreement

Details of Land Reserves as per SEBI Requirement with respect to non-material agreements						
Sr. No.		**Land Reserves (Category wise)**	**Consideration (Rs. Millions)**	**Consideration (Rs. Millions) Paid as on September 30, 2007**	**Total Conside-ration (%)**	**Revocation Clauses**
Joint developments with partners						
(iv) Land for which Joint development agreements have been entered in to by :						
	1	**By the company directly**				
		Hinjewadi	25.00	25.00	100%	N.A.
	2	**Through the subsidiaries**				
	3	**Through entities other than (1) and (2) above**				

The Real Estate Development Process

The process of real estate development can be divided into distinct stages of activity. These are as follows:

Identification of potential areas of development

One of the key factors in real estate development is the ability to assess the potential of a location after evaluating relevant demographic trends and economic parameters. We rely on our experience and the ability of our management to evaluate potential locations. We also use our experience to evaluate locations where we can gain an early mover advantage.

The process of land identification begins with the selection of an appropriate site that has growth potential. This is done by our projects research team, which gathers market data on possible prospects for development. For example, we have in the past chosen sites that are close to planned major industrial developments. We also consider the views of local real estate marketing professionals. Following these steps, a survey is conducted at the proposed site and a preliminary feasibility report is prepared. The report is based on an analysis of certain criteria, including, among other things; (a) the standard of living and disposable income of the local population, (b) relevant growth prospects in terms of trade and industry and (c) the financial viability of the project. The next step, after area identification, involves identifying the type of project to be undertaken and deciding the scale of the project. Typically, decisions at this stage involve examining the viability of townships, commercial complexes or residential buildings on the identified project site. Final decisions on the location, nature, financial feasibility and scale of each project is made by our senior management.

Evaluation of applicable laws and the obtaining of requisite approvals

When assessing the feasibility of a new project, it is imperative to become familiar with the legal regime governing the land on which the new project will be developed, since legal regimes vary from state to state. We evaluate the factors that affect the obtaining of approvals required for the implementation of the project. The approvals generally required for a real estate development project include approval of the building plans, approval of layouts, approvals related to certain infrastructure facilities such as power and water and land-use approvals such as, in some instances, for the conversion of agricultural lands to non-agricultural lands. Similarly, approvals from the fire authorities are often required for projects that involve the construction of high-rise buildings. Building completion certificates are obtained from the appropriate authorities after the projects have been completed in accordance with applicable law. For details of the legal requirements applicable to us, see the section titled “Regulations and Policies” on page 58 of this Red Herring Prospectus.

We sometimes choose to develop specific properties in specific ways that may increase their development potential. For example, we may often be able to increase the built-up area of a particular project by developing it in a particular manner that is given special encouragement under applicable regulations, such as IT Parks.

Acquisition of development rights or purchase of properties

Generally, we either acquire the development rights for properties or buy the properties outright. In general, for various reasons we prefer to acquire development rights only in arrangements that give us effective control of the properties. We may also acquire land through allotments from government authorities. In instances where we plan to develop properties through a joint venture or similar arrangement, we may acquire the development rights through the joint venture or in collaboration with our joint venture partners.

On occasion, we acquire the right to develop properties through collaboration with other entities that hold title to the land. Typically, we negotiate an agreement with the other party pursuant to which we conceive, develop and market the project. The titleholder is typically given the option, as consideration for granting the development rights, to share in a portion of the sale proceeds.

When we purchase land directly from titleholders, we execute conveyance deeds in respect of such properties in order to acquire clear title to the property. We also enter into arrangements with third parties who procure land and make arrangements with titleholders to purchase their land in targeted locations. Under these arrangements, in addition to the purchase price, we may also pay the third parties a certain pre-determined fee for their services.

In the projects we take on alone, substantially all of the development rights or title are held by KPDL. In the case of our joint ventures, development rights are initially acquired in various ways but are ultimately held by the relevant joint venture, and as a result our group holds a joint venture interest in such rights. Title may be held similarly, or may be held by a particular joint venturer who participates in the joint venture by providing the land.

Project development

The design and planning of our projects is completed by either our in-house planning department or reputable external architects and structural consultants engaged by us. The majority of external architects and structural consultants are engaged for a specific project and are drawn from a pool of architects and consultants with whom we have had previous experience or of whose work we have knowledge. The planning department or the external architect or consultant provides the structural design of the project; however, estimates of the requirements for manpower, materials and machinery are always provided by our in-house planning department. Engaged external architects or consultants may continue to advise us during the course of the project.

Once the design and estimates for the project have been finalized, we set up a project team under the supervision of a site engineer, who serves as the central coordinator for the project and who reports to the senior management of the Company. The purchase of materials is centralized and is based on estimates given by the planning division or the external architect, as the case may be.

For construction and for the supply of labour and materials, we enter into service/supply orders with various service providers and suppliers. We are not dependent upon any single contractor, builder or supplier for our construction activities. We negotiate orders on an individual basis and do not have any tender or bidding process. We seek to ensure that our raw material requirements for each project are satisfied in a timely and cost-effective manner. We make efforts to ensure that raw materials and other goods and services sourced from third-party vendors are delivered and paid for in a timely manner.

Our management conducts regular site visits. We have developed a monthly internal reporting system to help ensure effective monitoring of the status of all of our projects at any given time. This has helped us to improve efficiency and reduce time and cost overruns.

Marketing and sales

Our sales and distribution efforts are conducted through two main channels: direct sales through our sales executives and indirect sales through a broker network.

Our sales efforts begin as soon as possible after we have entered into an agreement to acquire land. For residential projects, we typically build, furnish and landscape model units and maintain on-site sales offices. We generally open an on-site sales office before construction of the model unit is completed. The sales center is later moved to one of the model units.

In line with industry practice in India, we access a large network of real estate agents who transact business for us and other developers and builders. We have some preferred partner relationships with real estate agents; however, there is no restriction preventing these brokers from working with other developers. Real estate agents' commissions are determined based on location, stage of the project and target customers.

We engage in a number of promotional activities for our projects. We appoint advertising agencies on a project basis to assist and plan such activities. We generally spend 1% of the estimated sales proceeds of a project on advertising.

The pricing of our projects is decided by a committee consisting of our Managing Director, Group Chief Executive Officer, Executive Directors and Group Chief Financial Officer. The pricing of a project is arrived at after considering the prevailing market, the competitive landscape and the nature of the project.

Completion and handover of the project

Once construction has been completed, we convey the relevant interests in the property to residential buyers or, in the case of commercial properties, licensees and investors. When we sell, we ensure that the entire consideration is paid to us at the time of the transfer of interest. When we license to commercial licensees, we typically receive an interest-free security deposit equal to 10 months of license fees and charge a monthly license fee that is paid at the beginning of the month.

Arrangement for acquisition of agricultural land

In India, a company cannot buy agricultural land. However, agricultural lands of more than 100 acres can be purchased under the Maharashtra Integrated Townships Regulations by an integrated township company in its own name. Since KPDL could not purchase these lands in its name, in January 2005 our Promoters began to acquire small parcels of agricultural lands in Jambhe, Marunji and Nere. Only after our Promoters accumulated more than 350 acres, to meet with the requirement of developing an integrated township under the Maharashtra Integrated Townships Regulations, KPDL approached ICICI Ventures in September-October 2005 with a joint venture proposal for the development of an integrated township project. In February 2006, a joint venture agreement was signed for the development of such an integrated township through IVEN Townships (Pune) Pvt. Ltd. Once IVEN Townships (Pune) Pvt. Ltd. was funded with sufficient equity, development rights for 280 acres of the agricultural land were acquired by I-Ven Townships (Pune) Pvt. Ltd. from the Promoters.

Our Competitors

We face significant competition from other entities engaged in the real estate development business, many of which undertake projects similar to ours in the same regional markets in which our projects are located. Our competitors include large and small real estate developers who are active in the regions where we operate.

We currently face competition from domestic real estate developers. As a consequence of the relaxation of FDI policy for the real estate sector, we expect to face competition from international real estate developers as well. Moreover, as we seek to diversify in respect of our products and geographic locations, we face the risk that some of our competitors may be better known in other markets, enjoy better relationships with local land owners and international joint venture partners, gain earlier access to information regarding attractive parcels of land and be better placed to acquire such land.

For further information on competition risks, see “Risk Factors – Our Industry is competitive and increased competitive pressure may adversely affect our results” beginning on page (xvii) of this Red Herring Prospectus.

Human Resources

We believe that our employees are key contributors to our business success. Our work force consists of (i) our permanent employees, (ii) consultants who are engaged by us on a contractual basis to assist in the architectural and structural design of our projects and (iii) contractors who are engaged by us on a contractual basis and who employ labourers to work at project sites.

In order to engage contract labourers for projects sites we are required to register under the Contract Labour (Regulation and Abolition) Act, 1970 and the Building and Other Construction Workers (Regulation of Employment and Conditions of Service) Act, 1996. Currently we have registration under the CLA. Further, we do not have registrations under the Building Construction Workers Act. For further information, see “Risk Factors – We are required to register under the Contract Labour (Regulation and Abolition) Act, 1970 (“the CLA”) and the Building and Other Construction Workers (Regulation of Employment and Condition of Services) Act, 1996" beginning on page (xviii) of this Red Herring Prospectus.

Our permanent employees include personnel engaged in land sourcing, land acquisition, design, construction, marketing, finance, administration and legal. The permanent employees in our wholly-owned subsidiary Regenesis Project Management Company Private Limited conduct a variety of special tasks for the group, including research on proposed project locations, project management and marketing.

The table below sets forth the number of our permanent employees for the last four Fiscal years.

	Fiscal			
	2007	**2006**	**2005**	**2004**
Number of Permanent Employees	341	205	139	123

Our employees are not represented by any unions and they do not have collective bargaining agreements. We believe that our relationship with our employees is good.

We provide customary employee and retirement benefits to our permanent employees.

Insurance

Our operations are subject to hazards inherent in the construction industry, such as equipment failure; accidents; fire, earthquake, flood and other force majeure events; acts of terrorism, explosions and similar hazards that may cause injury and loss of life and severe damage to and the destruction of property and equipment; and environmental damage. Our insurance policies cover certain risks in respect of physical loss and damage, business interruption, personnel-related risks and motor vehicle risks. However, except with respect to our GigaSpace IT Park project in Viman Nagar, Pune, we have not purchased project-specific insurance coverage for any of our projects. Generally, we do not insure against risks relating to (a) most projects in which construction or development work is in progress; (b) stock or construction material at any project site; (c) cash in transit, cash in safe or head office assets; (d) liabilities in respect of workmen’s compensation; or (e) third-party accidents.

Our contractors typically indemnify us against losses arising from physical harms suffered on our construction sites, but payment under such indemnities is not always made or easily enforced. Under certain of our contracts with subcontractors, we are required to obtain insurance for the construction projects on which such subcontractors work, but in general we do not do so.

While we maintain a key man insurance policy for Mr. Rajesh Patil, Chairman and Managing Director, and Mr. Milind Kolte, Executive Director, for an amount of Rs. 5.00 million each, we do not maintain key man insurance policies for any other Directors, senior members of our management team or other key personnel.

We may be subject to claims resulting from defects arising from engineering, procurement or construction services provided by us within the warranty periods that apply pursuant to law, including in Pune under the Maharashtra Ownership of Flats Act, 1963 and in Bangalore under the Karnataka Apartment Ownership Act, 1972.

Intellectual Property

We use the “Kolte Patil” trademark and its associated logos. On September 27, 2007, the Company applied for the registration in Class 37 of the “Kolte Patil” trademark under the Trademarks Act of 1999, as amended. However, there can be no assurance whether or when the registration of this trademark will be granted by the relevant authorities.

Our Offices

We operate out of our corporate office in Pune and branch offices in Bangalore and Mumbai. Our Registered Office is in Pune, Maharashtra.

REGULATIONS AND POLICIES

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

The real estate and construction sector in India is governed by central and state legislations that regulate the substantive and procedural aspects of the acquisition and transfer of land, construction of housing and commercial establishments.

As the real estate and construction industry in India operates in a largely fragmented manner, with each State prescribing its own regulations, we are limiting the discussion herein to laws and regulations which are currently applicable to us for carrying on our business in the States of Maharashtra and Karnataka. Investors are advised to undertake their independent study in relation to the regulations applicable to us, for carrying out our business in various States in India. We are broadly subject to the laws which provide for the acquisition of the land, its registration and related aspects like payments of stamp duty, local legislation providing for the regulation and supervision of building and residential premises, and certain other state specific laws.

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

Constitution of India

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

Union List

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

State List

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

Chapter IX A of the Constitution deals with Municipalities, duties entrusted on them and the powers inherent in them in pursuance of fulfilling such obligations. The municipalities have to give many clearances before a project can be completed, as discussed hereafter.

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

- **Central Laws (enacted by the Union of India):**

  1. **Urban Land (Ceiling & Regulation) Act, 1976** ("**Urban Land Ceiling Act**")

     The Urban Land Ceiling Act prescribes the limits to urban areas that can be acquired by an entity. The Urban Land Ceiling Act also provides for the imposition of a ceiling on vacant land in urban areas to prevent the concentration of land in the hands of few individuals and regulates construction of buildings to bring about equitable distribution of urban land. It prescribes the maximum limit up to which an individual can hold land in an urban area.

     Even though it has been repealed by the Urban Land (Ceiling & Regulation) Repeal Act, 1999, the Urban Land Ceiling Act remains in force in certain states, including the State of Karnataka where our Company has undertaken some projects and in the State of Maharashtra where most of our current projects are located.

  2. **Land Acquisition Act, 1894**

     Land holdings are subject to the Land Acquisition Act, 1894, which provides for the compulsory acquisition of land by the appropriate government for public purposes including planned development and town and rural planning. However, any person having an interest in such land has the right to object and claim compensation. Acquisition must be made within 2 years from date of declaration for acquisition. The land owner is given a right to claim enhanced compensation with reference to the market rate and certain other criteria for which he has a right to seek his remedies before the appropriate court.

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

The T.P. Act deals with the various methods in which transfer of property including transfer of immovable property or any interest in relation to such property, between individuals, firms and companies takes place. This mode of transfer between individuals is governed by the provisions of the T. P. Act, as opposed to the transfer of property or interest by the operation of law. The transfer of property as provided under the T.P. Act can be through the mode of sale, gift or exchange, etc., while an interest in the property can be transferred by way of a 'lease' or 'mortgage'.

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

The T.P. Act regulates the transfer of immovable property by way of sale, gift, exchange, lease or mortgage. Section 54 deals with sale of immovable property which, as defined, is a transfer of ownership in exchange for a price paid or promised or part-paid and part-promised. Section 55 thereof enumerates the rights and liabilities of the vendor and the purchaser in a transation of sale of land.

4. Registration Act, 1908 ("**Registration Act**")

The Registration Act has been enacted with the object of providing public notice of the execution of documents affecting a transfer of interest in immoveable property. The purpose of the Registration Act is the conservation of evidence, assurances, title, publication of documents and prevention of fraud. It details the formalities for registering an instrument.

Section 17 of the Registration Act identifies documents for which registration is compulsory and includes, *inter alia*, any non-testamentary instrument which purports or operates to create, declare, assign, limit or extinguish, whether in present or in future, any right, title or interest, whether vested or contingent, in immovable property of the value of one hundred rupees or more, and a lease of immovable property for any term exceeding one year or reserving a yearly rent.

An unregistered document will not affect the subject property, nor be treated as evidence of any transaction affecting such property (except as evidence of a contract in a suit for specific performance or as evidence of part performance under the T.P. Act, or as collateral), unless it has been registered.

5. Indian Stamp Act, 1899

Stamp Duty in relation to certain specified categories of instruments as specified under Entry 91 of the Union list are governed by the provisions of the Indian Stamp Act, 1899. All other instruments including lease or conveyance of any immovable property are required to be stamped, as per the rates prescribed by the respective state governments.

Instruments which are not duly stamped are incapable of being admitted in court as evidence of the transaction contained therein. Further the state government also has the power to impound insufficiently stamped documents.

Stamp Duty on instruments in the State of Maharashtra is governed by the Bombay Stamp Act, 1958. This Act, levies Stamp Duty on documents/instruments by which any right or liability is, or purports to be, created, transferred, limited, extended, extinguished or recorded.

Stamp Duty on instruments in the State of Karnataka is governed by the provisions of the Karnataka Stamp Act, 1957 ("**KSA**"). The KSA prescribes that Stamp Duty payable on various instruments relating to the land namely conveyance, lease and other instruments as the case may be.

The Stamp Duty in relation to the lease or conveyance of any immovable property is prescribed by the respective states in which the land is situated and is usually charged as a percentage of the market value. All instruments chargeable with duty and executed by any person are required to be stamped before or at the time of execution or immediately thereafter on the next working day following the day of execution. It authorises the collector on receiving information from any source, to call for examination of any instrument to satisfy himself that the market value of the property referred therein has been truly set forth and the duty paid on it is adequate. Instruments not duly stamped are incapable of being admitted in court as evidence of the transaction in question. State government has the authority to impound insufficiently stamped documents. It prescribes a penalty not exceeding twice the amount of duty payable in respect of the instrument which is insufficiently stamped. Once the deficient duty is paid, the instrument is admissible in courts as evidence of the transaction in question.

6. **Easements Act, 1882**

The law relating to easements is governed by the Easements Act, 1882. The right of easements is derived from the ownership of property and has been defined under the Easements Act to mean a right which the owner or occupier of land possesses for the beneficial enjoyment of that land and which permits him to do or to prevent something from being done in respect of certain other land which he does not own. Under this law an easement may be acquired by the owner of immovable property, i.e. the dominant owner, or on his behalf by the person in possession of the property. Such a right may also arise out of necessity or by virtue of a local custom.

7. **Labour Laws**

The employment of construction workers for real estate projects is regulated by various labour laws, rules and regulations including the Contract Labour (Regulation and Abolition) Act, 1970, the Minimum Wages Act, 1948, the Payment of Bonus Act, 1965, the Building and Other Construction Workers (Regulation of Employment and Conditions of Service) Act, 1996 and the Payment of Wages Act, 1936.

The Building and Other Construction Workers (Regulation of Employment and Conditions of Service) Act, 1996 ("BOCWA"), which is a social welfare legislation that aims to provide certain benefits to the workers engaged in manual labour for purposes of construction activities. BOCWA also provides for the regulatory regime to establish 'Boards' at the central and the state level to regulate the functioning of provisions of BOCWA. All enterprises involved in construction are required to be registered under BOCWA.

The Minimum Wages Act, 1948 ("MWA"), provides for the fixing of appropriate minimum wages for workers involved in the various scheduled industries as specified in MWA. The schedule of MWA refers to 'employment on the construction' or 'maintenance of roads or in building operations'.

The Payment of Bonus Act, 1965 prescribes the compulsory payment of bonuses to the employees by the establishments not expressly excluded by the statute. The Payment of Wages Act, 1936, aims to regulate the payment of wages to certain classes of employed persons. It establishes a regulatory regime for implementation of the objects of such Act. Pursuant to the insertion of Section 2(g) of such Act, it also applies to the construction industry.

Furthermore. in the event that any aspect of the activity is outsourced and is carried by labourers hired on contractual basis, then compliance with the Contract Labour (Regulation and Abolition) Act, 1970 shall also be necessary.

The Payment of Gratuity Act, 1972 provides for the payment of gratuity to employees in certain prescribed establishments. Gratuity is payable to an employee on the termination of his employment after he has rendered continuous service for not less than five years on his superannuation, on his retirement, resignation or on his death or disablement due to accident.

8. **The Environment (Protection) Act, 1986**

The law relating to the environment is governed by the Environment (Protection) Act, 1986 (the "Environment Act"). The Environment Act provides for the protection and improvement of environment and other related matters.

- **State Laws:**

State legislations provide for the planned development of urban areas and the establishment of regional and local development authorities charged with the responsibility of planning and development of urban areas within their jurisdiction. Real estate projects have to be planned and developed in conformity with the norms established in these laws and regulations made thereunder and require sanctions from the government departments and developmental authorities at various stages. Where projects are undertaken on lands which form part of the approved layout plans and/or fall within municipal limits of a town, generally the building plans of the projects have to be approved from concerned municipal or developmental authority. Building plans are required to be approved for each building within the project area. Clearances with respect to other aspects of development such as fire, civil aviation and pollution control are required from appropriate authorities, depending on the nature, size and height of the projects. The approvals granted by the authorities generally prescribe a time limit for completion of the projects. These time limits are renewable upon payment of a prescribed fee. The regulations provide for obtaining a completion and/or occupancy certificate upon completion of the project.

- **Pune:**

The following description is a brief summary of the relevant legislations and regulations currently applicable to our projects located in Pune, State of Maharashtra.

1. **Bombay Provincial Municipal Corporations Act, 1949 (the "BPMCA")**

The BPMCA provides for the establishment of municipal corporations in the State of Maharashtra. The Pune Municipal Corporation ("**PMC**") and Pimpri Chinchwad Municipal Corporation ("**PCMC**"), having jurisdiction over lands where our projects are located, have been established under the BPMCA for the city of Pune. PMC and PCMC carry out their functions including, *inter alia,* granting of approvals for projects situated in Pune in accordance with this Act. Chapter XV of the Act provides for Building Regulations and prescribes giving of a notice to the Commissioner for erection of a building. The Commissioner may impose conditions and requisitions that have to be adhered to. Breach of any condition may cause such erection to be removed, altered or pulled down if sufficient cause is not shown. Within one month of completion of erection of the building, a notice in writing must be sent to the Commissioner at his office along with a certificate in accordance with the by-laws and facilitate inspection by the Commissioner. Permission to occupy the building must be applied for simultaneously. Occupation or use of the building is prohibited till permission is received from the Commissioner, unless 21 days have lapsed since such notification and no refusal of permission has been communicated by the Commissioner (Section 263, BPMCA).

2. **Maharashtra Regional and Town Planning Act, 1966 (the "MRTPA")**

The MRTPA has been enacted with the object of establishing local development authorities in Maharashtra to ensure efficient town planning and development of lands within their jurisdiction. It provides for the creation of new towns and compulsory acquisition of land required for public purposes. The Collector and the Town Planning Department as appointed and established under MRTPA, grant approvals for real estate projects situated in areas falling within their jurisdiction. It deals with Control of Development and use of Land included in Development Plans. Section 43, MRTPA provides that no person shall without the permission in writing of the Planning Authority change the use of or develop any land which is part of a notified area or site for a new town. The Planning Authority, by virtue of Section 51, reserves the right to revoke or modify the permission granted if it appears inconsistent to the development plan. Chapter VI-A provides for levy, assessment and recovery of development charge. Section 124A empowers the Planning Authority to levy development charge on use, change of use or development of land for which permission is required at specified rates. Land appurtenant to a building used for any purpose independent of the building shall be levied separately.

3. **Development Control Rules for Pune Municipal Corporation, 1982**

The PMC and PCMC in carrying out their functions and granting approvals for real estate projects are guided by the Development Control Rules for Pune Municipal Corporation, 1982 ("**DCR**"). Real estate projects in Pune have to be planned and developed in conformity with the norms established by the DCR and as such require various sanctions from the PMC and PCMC.

4. **Maharashtra Ownership Flats Act, 1963**

The Maharashtra Ownership Flats Act, 1963, was enacted to regulate the promotion of the sale, management and the transfer of flats on an ownership basis in the State of Maharashtra.

5. **Maharashtra Housing and Area Development Act, 1976 (the "MHADA")**

The MHADA has been enacted with the object of regulating the housing, repairing and reconstruction of dangerous buildings and carrying out improvement works in slum areas. The Government has established a single corporate authority, The Maharashtra Housing and Area Development Authority (the Authority) for the areas where this Act applies pursuant to Article 39 of the Constitution. Various boards have been set up with exclusive jurisdiction, which include the Pune Housing and Area Development Board. The Authority directs the boards to prepare and execute, inter alia, plans and projects for housing accommodation in the State. To further such cause, the boards may enter into agreements and contracts and sell property entrusted to it by the government.

6. **Maharashtra Co-operative Societies Act, 1960 (the "MCSA")**

Co-operatives societies set up in Maharashtra are registered under and regulated by the Maharashtra Co-operative Societies Act, 1960 and the Maharashtra Co-operative Societies Rules, 1961. Each co-operative society is required to have its own bye-laws providing for its over-all management and regulating its functions and operations. These bye-laws have to be consistent with the MCSA. The MCSA provides, *inter alia*, for rights of the members, privileges of the societies, property and funds of the Society.

7. **Maharashtra Land Revenue Code, 1966**

The Maharashtra Land Revenue Code, 1966 provides for the assessment and realization of land revenue (including land revenue for agricultural lands). It provides for maintaining the land records, surveys and demarcations of the land. It regulates the conversion of agricultural land into lands for non-agricultural purposes. Agricultural land cannot be used for any other purpose unless the procedure for change of use of land from agricultural to non-agricultural purposes including use for residential and commercial purposes as prescribed under this Act has been complied and requisite permission has been obtained for such use. The Maharashtra Revenue Tribunal has been established under this enactment.

8. Maharashtra Rent Control Act, 1999

This is a beneficial legislation, which provides for fixation of standard rent and gives statutory protection to a tenant against eviction by the landlord. It does not apply to companies with a paid up capital of Rs. 10 million and above and certain other classes of tenants. A landlord can evict a tenant only in certain circumstances as prescribed therein. It also prescribes the summary procedure for removal of a residential licensee.

9. Integrated Special Township Scheme

Under the Pune Regional Plan, the Government of Maharashtra (Urban Development Department) modified the Development Control rules in order to include the provisions of Special Township. The notification of this scheme has been published under the No. TPS 1804 / Pune R.P.DCR / UD – 13.

Under the Integrated Special Township Scheme, the developer is required to acquire a contiguous property of more than 100 Acres without any natural bodies (such as water body, roads) and/or any other natural subdivision. Floor Space Index ("FSI") norms are based depending upon the zoning of the property. FSI can be floating and can also be utilized proportionately in a property with mixed zoning. The procedures for obtaining sanctions on the said property are different from the standard procedures applicable for a plot of less than 100 acres.

Furthermore, the developer is required to obtain a "Location Clearance" from the Urban Development Department for which certain NOC's from departments like Town Planning, Irrigation, Environment, Archeological and Forest are mandatory. This location clearance is then submitted to the Collector of Pune for obtaining a "Letter of Intent". After obtaining the letter of intent from the collector, an application is required to be made along with the set of proposed plans to the collector who in turn sends the proposal to the assistant director of town planning. The assistant director of town planning forwards the proposal to the deputy director of town planning for his sanction. Finally, the sanctioned plans come back to the collector for his final endorsement.

This scheme is important in light of the concessions available to the developer like stamp duty and the deemed sanction of Urban Land Ceiling ("**ULC**") and Non Agricultural ("**NA**"). However, it is necessary that the developer provides all the necessary infrastructure and the required amenities before commencing the project.

However, the scheme can be floated only in the areas outside the purview of the Municipal Corporation, Municipal Council and Special Planning Authorities like City and Industrial Development Corporation of Maharashtra Ltd. ("**CIDCO**"), and Maharashtra Industrial Development Corporation ("**MIDC**"). The idea behind floating this scheme is to promote private investment in the housing sector and also to create housing at reasonable price.

- **Bangalore:**

We are also required to comply with the laws applicable to the housing and the real estate sector in the State of Karnataka, as some of our projects are situated in Bangalore, which include laws in relation to the availability of the land, obtaining the no objection certificates prior to the commencement of construction, to obtaining approvals required during and after the construction and finally obtaining the completion and occupancy certificate. We are required to comply with the various laws at the different stages in the life-cycle of a project. Some of the important main local legislations applicable to us are provided below.

1. Comprehensive Development Plan ("CDP")

To ensure economic and healthy development of the city. The city is divided into a number of use zones, such as residential, commercial, industrial, public and semipublic. In order to promote public health, safety and the general welfare of the community, the state government thought it necessary to impose limitations on the use of land and buildings.

The CDP for the city of Bangalore was approved by the Government of Karnataka in the year 1984 and has subsequently been revised in 1995 by the Bangalore Development Authority ("BDA") which is the Planning Authority for the Metropolitan area of Bangalore, as per Section 25 of the Karnataka Town and Country Planning Act, 1961("KTCP Act"). The CDP covers a total area of 1279 square kilometres and tends to be revised at least once every ten years.

The CDP lays down the policies and programmes for the overall development of the area within its ambit taking into consideration the long term requirements. The land requirement for different uses like residential, commercial, industrial, public and semi public, traffic and transportation, parks and open spaces have been worked out and suitably located. In each use / zone, certain uses are normally permitted and certain other uses may be permitted by the BDA under special circumstances.

The zoning regulations and their enforcement are a major tool in keeping the land use pattern of the master plan. The zoning regulations for the city of Bangalore for the Bangalore Local Planning Area are prepared under the clause (iii) sub Section 2 of Section 12 of the KTCP Act. Section 12 of the KTCP Act deals with the contents of the master plan which shall consist of a series of maps and documents indicating the manner in which the development and improvement of the entire planning area within the planning authority is carried out. For the purpose of the KTCP Act, a planning authority includes the Bangalore Development Authority and any such local planning authority that is constituted under the KTCP Act.

2. **Karnataka Land Revenue Act, 1964 ("KLR Act")**

The KLR Act was enacted to consolidate and amend the laws relating to land and the revenue administration, in the State of Karnataka. The KLR Act states that any owner of an agricultural land shall require the permission of the Deputy Commissioner to convert the use of such land for any other purpose.

The KLR Act states that such a request for the conversion of the agricultural land cannot be refused, if such lands are in the CDP. Certain activites which are allowed to be carried out in the green belt areas include construction of places of worship, hospitals, libraries, sports clubs and cultural buildings. Any other form of activity, to be carried out will require the prior consent of the relevant authority.

3. **Karnataka Town and Country Planning Act, 1961**("**KTCP Act**")

The KTCP Act was enacted to provide for the regulation of planned growth of land use and development and for the making and execution of town planning schemes in the State of Karnataka. The KTCP Act provides for the declaration of a local planning area and shall be governed by its own local bye laws, rules and regulations, as the case may be. A local planning authority is constituted for such a local planning area. Every local planning authority shall be required to create a master plan and all activities shall be carried out pursuant to such a master plan.

4. **Karnataka Municipal Corporation Act, 1976** ("**KMC Act**")

The KMC Act was established to consolidate and amend the laws relating to the establishment of 'Municipal Corporations' in the State of Karnataka. The Municipal Corporations then have the power to regulate the construction industry by imposing mandatory requirements such as necessary approvals, building bye-laws and regulation of future constructions etc. Pursuant to the provisions contained in Chapter XV of the Act, the corporations have been given the powers to regulate buildings and other related activity.

Under Chapter II of the KMC Act, a 'Corporation' is established based on certain criteria, which include the population of the area, the density of the population and certain other factors. Furthermore, the KMC Act under Section 295 empowers a corporation to make bye-laws for the use of sites and buildings. The corporation shall have the power to make bye-laws, for the regulation or restriction for the use of sites or buildings. Such a corporation may also make bye-laws for all matters that are required or allowed to be carried on under the KMC Act.

5. **Bangalore Mahanagara Pallike Building Bye-Laws - 2003** ("**BMP Bye-Laws**")

The BMP Bye-Laws are applicable and shall be required to be complied with within the jurisdiction of the Bangalore Mahanagara Pallike. For the purpose of the BMP Bye-Laws, the Bangalore Mahanagara Pallike shall mean the Corporation. Currently there are totally about 100 wards in Bangalore to which the BMP Bye-Laws are applicable.

Schedule 1 of the BMP Bye-Laws, provides the land use classification which is permitted. Land use under the schedule is classified as (i) Residential; (ii) Commercial (retail and wholesale business); (iii) Industrial; (iv) public and semi public use; (v) parks, open spaces and playgrounds; (vi) transport and communication; (vii) utilities and services; and (viii) agricultural zone. In the commercial (retail business) zone, the construction of residential buildings is permitted.

Part II of the BMP Bye-Laws provide that every person who intends to erect or re-erect a building or make material alterations shall be required to obtain a license from the Commissioner of the Bangalore Mahanagara Pallike ("Authority"). The BMP Bye-Laws provide the various details that need to be complied with, for the purpose of carrying out any construction activity within its jurisdiction.

At the time of submission of an application by any person to the Authority to erect a building or such other construction activity, as required in clause 3 of the BMP Bye-Laws the following documents shall also be required to be submitted with the plans and documents, which include:

- Title deeds or the possession issued by a competent authority;
- Property card and the sketch issued by the Department of Survey and Settlement and Land records and the latest assessment book extract issued by the Corporation;
- Receipt of the property tax paid to the Corporation;
- Attested copy of any previously sanctioned plan; and
- Drawing, key plan, site plan (which is drawn to a scale of 1:500) for sites up to an area of one hectare and building plan (which is drawn to a scale of 1:500). The said building plan shall also contain the following particulars including; floor plans of all the floors, use or occupancy of all parts of the building, sectional drawings of thickness of the walls, spacing of the column and such other details.

In addition to the above, certificates from the following authorities shall have to be submitted with the application. These authorities include:

- The Bangalore Development Authority, in the event any of the conditions as specified are satisfied; and
- No Objection Certificate ("NOC') from The Bangalore Water Supply and Sewerage Board, Bangalore Electricity Supply Company, Fire Services Department, Airport Authority of India in case of a high rise building. In the event that the high rise building is above seven floors, such an NOC shall also have to be obtained from the Telecommunication Department.

A high rise building is defined in clause 2.46 of the BMP Bye-Laws as a building with ground floor plus four or more floors above the ground floor.

Upon the grant of the license by the Authority, the owner shall have to comply with the approved plan and specifications and the construction of the building shall have to commence within a period of two years. After the physical inspection, the Authority shall issue an occupancy certificate.

Technical Requirements: The building constructed shall be required to comply with the specific requirements as specified in the BMP Bye-Laws. In relation to the construction of any building, the Floor Area Ratio ("FAR") shall means the 'quotient obtained by dividing the total covered area of all the floors by the area of the plot'. The set back line means 'a line prescribed beyond which nothing can be constructed towards the plot boundary except those not included under the definition of coverage.'

Therefore, the FAR is calculated on a case by case basis based on the construction. For instance, assuming a property measuring 10,000 sq. ft. is located on Sarjapur Ring Road, near Bangalore, with a road width of 150 feet, this property would fall under the zone of the CDP, 1995 and be entitled for an FAR of 2.00 as per table 24 of the CDP.

Clause 9.2 of the BMP Bye-Laws refer to tables four to six, which provide the details in relation to the set backs required on all sides of the buildings, the maximum plot coverage, the maximum FAR, the maximum number of floors, maximum height of the building, that are permissible for different dimensioned sites and width. The exterior open spaces, the setback in metres for all buildings including residential, commercial, public and semi public buildings up to a height of 9.5 metres is provided in table four while table five provides the relevant details for all buildings above 9.5 metres. The coverage and the FAR for all buildings including residential, commercial, public and semi public are provided in table 6. All high rise buildings shall have to comply with the requirements specified in table 5. Furthermore, the minimum depth or width of a site for high rise building shall be 21 metres and the minimum road width facing a high rise building shall be 12 metres.

All buildings with ground floor and three floors and above (or height of 15 metres and above) shall also require the clearance from the Director of Fire Services regarding the Fire Protection Provision in the building.

6. Bangalore Mysore Infrastructure Corridor Area Planning Authority ("BMICAPA") and Bangalore International Airport Area Planning Authority ("BIAAPA")

The BMICAPA and the BIAAPA have been constituted pursuant to the KTCP Act, as a local planning Authority. The Bangalore Mysore Infrastructure Corridor Project consists of tolled four lane express highways (including their peripheral and link roads) and the 5 new townships along this corridor. The Bangalore International Airport Planning Authority regulates the lands coming within its jurisdiction.

Under the provisions of the KTCP Act, such a local planning authority shall have its own rules and regulations, which shall govern the area within its jurisdiction. In light of the above, the BMICAPA and the BIAAPA constitute independent planning authorities and therefore in the event that any land is situated in their jurisdiction, they shall pursuant to the authority vested in them, have the powers to govern such areas.

7. **Bangalore Mysore Infrastructure Corridor Area** (“**BMICAPA”)**

Any person intending to carry out any development activity in the jurisdiction of BMICA shall be required to make an application in the prescribed form as specified in Section 14 of the KTCP Act, with the following documents namely;

- key plan;
- site plan;
- building plan;
- ownership title;
- latest up to date tax paid receipt;
- khatha certificate; and
- NOC’s if the building is a high rise construction.

The BMICAPA regulations also provide the various requirements to be complied with by any person indulging in any construction activity. These regulations are very similar in nature to the BMP Bye-Laws in relation to the requirements to be complied with. However, there are certain important aspects that are different. For example, in the BMICA a high rise building means ‘a building of a height of 18 metres or more above the average surrounding ground level’, while the definition of the FAR is similar to what has been provided for in the BMP Bye-Laws.

The permitted land use in the BMICAPA includes land to be used for commercial use wherein residential buildings are included. These BMICAPA regulations being very similar to the BMP Bye-Laws also provide for certain requirements in relation to the setback. It provides in table 5.1 the minimum set back required on all sides of a building up to 10.00 metres in height, while table 5.2 provides the details of the exterior vacant spaces for the buildings above 10 metres in height. Further table 5.3 provides the details in relation to the coverage and FAR for the residential, commercial, public and semi public, traffic and transportation and public utility buildings. These BMICAPA regulations also specify the requirements in relation to various aspects including the number of floors that can be constructed, percentage of plots coverage, FAR, height of the building for different plot size.

8. **BIAAPA**

The area coming within the jurisdiction of the Bangalore International Airport Area (“BIAA”) shall be governed by the rules and regulations as framed by the BIAAPA and all applications for carrying out any construction in this area, shall be made to the BIAAPA.

9. **Bangalore Development Authority Act, 1976 (“BDA Act”)**

The BDA Act was enacted for the establishment of a development authority to provide for the development of the city of Bangalore and areas adjacent to it. Section 67 of the BDA Act has amended the KTCP Act and states that for the city of Bangalore, the Bangalore Development Authority (“BDA”) shall be the local planning authority for the local planning area.

Section 81-B of the KTCP Act states that the BDA shall be the local planning authority for the local planning area, comprising of the city of Bangalore and the BDA shall exercise powers and perform functions as if it were a local planning authority for the Bangalore City.

10. **Bangalore Metropolitan Region Development Authority Act, 1985** (“**BMRDA Act**”)

The BMRDA Act was enacted for the purpose establishing the Bangalore Metropolitan Region Development Authority (“BMRDA”) to plan, co-ordinate and supervise the proper and orderly development of the Bangalore metropolitan region. Any development in the Bangalore district and the Bangalore rural district shall require the prior permission of the BMRDA.

The BMRDA has recently issued a notification (No. BMRDA / ADM / 02 / 2006-07) dated July 15, 2006 wherein it has been stated that the BMRDA intends to come up with a “Master Paln Scheme” to regulate and check the haphazard construction in and around various areas in the city within its jurisdiction. The Notification states that untill December 31, 2006 no conversion will be allowed in areas within the APZ - I Zone (excluding the areas coming within the jurisdiction of RUCDA and BMICPA).

11. **Karnataka Apartment Ownership Act, 1972** (“**KAO Act**”)

Under the provisions of the KAO Act, every owner of an apartment is required to execute a declaration to adhere to the provisions of the KAO Act. The KAO Act states that the administration of every property shall be bound by its own bye-laws.

12. **Zoning of Landuse and Regulations under the Master Plan – 2015**

The Bangalore Development Authority, Bangalore has issued Revised Master Plan – 2015 by issuing Zoning of Landuse and Regulations under the Master Plan – 2015, approved by Government vide G.O. UDD 540 BEM AA SE 2004 dated June 25, 2007, which envisages a compact, balanced and equitable urban growth for the city of Bangalore. The key objectives of the said Zoning Regulations are as follows:

(a) To safeguard public interest;

(b) To be realistic and anticipatory;

(c) To be flexible and responsive.

The said Zoning Regulations applies to the Bangalore Metropolitan Area for the city of Bangalore and its environs as declared under KTCP Act.

- **Regulations Regarding Foreign Investment in Real Estate Sector**

Foreign investment in Indian securities is regulated through the Industrial Policy, 1991 of the Government of India and FEMA. While the Industrial Policy, 1991 prescribes the limits and the conditions subject to which foreign investment can be made in different sectors of the Indian economy, FEMA regulates the precise manner in which such investment may be made. Under the Industrial Policy, unless specifically restricted, foreign investment is freely permitted in all sectors of Indian economy up to any extent and without any prior approvals, but the foreign investor is required to follow certain prescribed procedures for making such investment. As per current foreign investment policies foreign investment is not permitted in the real estate industry.

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

However, Press Note 2 and Press Note 4 are not applicable to foreign investment under the portfolio investment scheme by entities viz. FIIs, under Schedule II of the FEMA Regulations. The Company is eligible to issue equity shares to FIIs under the portfolio investment scheme, covered under notification FEMA No. 20/2000-RB dated May 3, 2000 and subsequent amendments thereto.

Furthermore, as per the sector-specific policy for FDI, FDI up to 100% is allowed under the automatic route in Special Economic Zones and Free Trade Warehousing Zones covering setting up of these Zones and setting up units in the Zones, subject to Special Economic Zones Act, 2005 and the Foreign Trade Policy.

HISTORY AND OTHER CORPORATE MATTERS

Our Company

Kolte-Patil Developers Limited was incorporated on November 25, 1991 as a private limited company by Rajesh Patil and Milind Kolte. The Company was subsequently converted into a public limited company under the name Kolte-Patil Developers Limited on April 1, 1995. The Company was originally incorporated as Kolte-Patil Developers Limited on May 9, 1995 and the name was changed to Regenesis Developers Limited on December 4, 2006 and subsequently the name was changed to Kolte-Patil Developers Limited on December 12, 2006. After completing number of residential properties, KPDL ventured in to development of commercial properties in 1995 by creating one of the largest commercial complexes in Pune, namely, Patil Plaza (80,000 sq. ft.). Later KPDL developed City Mall (76,485 sq. ft.), City Point and City Tower (187,562 sq. ft.) as purely commercial properties housing offices of many Indian and Multinational companies.

For details of issue of Equity Shares for consideration other than cash, please refer section titled "Capital Structure" beginning on page 14 of this Red Herring Prospectus.

For details of corporate profile, history, description of activities, standing of our Company, prominent competitors, market and managerial competence please refer section titled "Our Business" beginning on page 38 of this Red Herring Prospectus. For details of the past five years performance, non-recurring items of income and significant accounting policies please refer section titled "Managements' Discussion and Analysis of Financial Condition and Results of Operations" beginning on page 175 of this Red Herring Prospectus.

Major events in the history of our Company since inception

Year	Key events
1991	Incorporation of our Company under the name and style of Kolte-Patil Developers Pvt. Limited.
1994	Completed 1st commercial project: Patil Plaza, Pune.
1995	Change of the name of the Company to Kolte-Patil Developers Ltd. and conversion to a public limited Company.
1998	Completed 0.5 million sq. ft. of construction.
2000	Entered Bangalore Real Estate Market.
2001	Completed 1.00 million sq. ft. of construction.
2004	Completed 2.00 million sq. ft. of construction.
2006	Completed 4.01 million sq. ft. construction.
2006	Recipient of Govt. of Maharashtra's Award for Best IT Park Infrastructure Award for Gigaspace IT Park.
2006	Joint Venture Agreement dated 23.2.2006, entered with ICICI Venture Funds Management Company Limited for development of integrated township at Marunje and Jambe (Pune) (Approximate area 500 acres).
2006	Joint Venture agreement dated 06.10.2006, entered with ICICI Venture Funds Management Company Limited for IT Park (Approximate area 1.2 Million sq. ft.) at Kharadi at (survey No.40).
2006	Joint Venture Agreement dated 13.10.2006, entered with ICICI Venture Funds Management Company Limited and Mr. Iswarchand Goyal for development of residential complex at Wagholi (Pune) (Approximate area 80 acres).
2006	Joint Development Agreement dated April 23, 2006 entered with Arista Developers Pvt. Ltd. (named as Green Olive Ventures).
2007	Joint Venture Agreement dated April 23, 2007, entered with K2 Property Limited for development of properties at Mohammedwadi, Bavdhan and Kharadi at Pune (Aggregating Approximate area 53.36 acres).

Changes in the Registered Office of our Company

The details of changes in the address of the registered office of our Company are as under:

Date of change	Previous address	New address	Reasons for change
March 1, 1998	172, Navi Peth, Jalgaon-425 001	First Floor, Shop 46, Type 4, V V Market (Golani Municipal Market), Jalgaon - 425 001	Administrative Convenience
January 1, 2007	First floor, Shop 46, Type 4, V V Market (Golani Municipal Market), Jalgaon-425 001	2nd Floor, City Point, Dhole Patil Road, Pune- 411 001	Administrative Convenience

The requisite Form 18 have been filed with the Registrar of Companies, Pune, Maharashtra.

The objects clauses of the Memorandum of Association enable our Company to undertake activities for which the funds are being raised in the Issue and also the activities that our Company has been carrying on till date.

Main Objects of our Company

The main objects of our Company as stated in the Memorandum of Association include the following:

To carry on in India or elsewhere the business of builders, of flats, dwelling houses, shops, offices, industrial estates, bungalows, chawls, housing colonies, lease of lands and other immovable properties and for these purposes to purchase, take on lease or otherwise acquire and hold any land or lands or buildings of any tenure or description wherever situate, or rights or interests therein or connected therewith, to prepare building, sites, and to construct, reconstruct, pull down, alter, improve, decorate and furnish and maintain flats, maisonettes, dwelling houses, shops, offices, buildings, industrial estates, works and conveniences of all kinds, to layout roads and pleasure and recreation grounds, to plant, drain or otherwise improve the land or any part thereof and to manage, or let the same or any part thereof for any period whether belonging to the Company or not, and at such rent and on such conditions as the Company shall think fit, to collect rents and income thereof.

Changes in Memorandum of Association

The details of changes in the Memorandum of Association of our Company are as under:

Date	Details of amendment in the MoA
April 1, 1995	▪ Increase in authorized in share capital from Rs. 20,000 to Rs. 60 million ▪ Conversion from a Private Limited Company to a Public Limited Company
July 21, 2006	▪ Increase in authorized in share capital from Rs. 60 million to Rs. 500 million
Nov. 18, 2006	▪ Increase in authorized in share capital from Rs. 500 million to Rs. 800 million

For details of non-recurring items of income, significant accounting policies and the past five years financial performance of the Company, please refer to the section titled “Management Discussion and Analysis of Financial Conditions and Results of Operation” beginning on page 175 of this RHP.

OUR SUBSIDIARIES

Our Company has the following subsidiaries:

1. **Regenesis Project Management Company Private Limited (100%)**

   Regenesis is a wholly owned subsidiary of the Company. It provides a variety of special services for the group, such as research on proposed project locations, project management and marketing. Regenesis has hired professionals from the real estate business who are experienced in the planning, procurement, implementation, funding and marketing of real estate projects.

2. **Yashowardhan Promoters and Developers Private Limited (57.95%)**

   Yashowardhan Promoters & Developers Private Limited. is a joint venture that is presently 57.95% owned by Kolte-Patil Developers Ltd. and 42.05% owned by the Gurnani-Shivlani Group. We are developing Dew Drops, a residential and commercial complex and shopper's orbit in Vishrantwadi in Pune, through this joint venture.

3. **Sylvan Acres Realty Private Limited (85%)**

   Sylvan Acres Realty Private Limited ("Sylvan Acres") is a company of which we own 85% and that we control, and that in turn is a 50:50 joint venture partner in I-Ven Township (Pune) Private Limited. The other partner in I-Ven Township (Pune) Private Limited is ICICI Venture. Through Sylvan Acres and the joint venture, we intend to develop an integrated township project at Jambhe-Marunji of up to 400 acres near Rajiv Gandhi IT Park in Pune. This will be a phased development that we expect to finish in pieces over the next three to five years.

4. **I-Ven Kolte-Patil Projects (Pune) Private Limited (51%)**

   I-Ven Kolte-Patil Projects (Pune) Private Limited is a joint venture that is 51% owned by KPDL and 49% owned by ICICI Venture. We are developing an IT Park in Kharadi, near Pune, through this joint venture. The total size of this IT Park would be approximately 1.2 million square feet. I-Ven Kolte-Patil Projects (Pune) Private Limited will also undertake the development of a residential complex at Kharadi.

5. **Kolte-Patil Real Estate Private Limited (100%)**

   Kolte-Patil Real Estate Private Ltd. ("KPRE") is a joint venture that we intend to undertake with K2 Property Limited, a Jersey-based real estate fund. KPRE is proposed to be 51 % owned by KPDL and 49% owned by K2 Property Limited. We intend to develop residential and commercial projects which are FDI-compliant in Kharadi (S. No. 53/54), Mohammadwadi and Bavdhan through this joint venture, in accordance with the terms of the planned joint venture agreement.

Shareholders Agreement:

Our Company has not entered into any shareholders agreement.

Joint Venture Agreements:

Our Company has, however, entered into the following Joint Venture Agreements:

1. **Joint Venture Agreement dated February 23, 2006 between Sylvan Acres Realty Pvt. Ltd. and others (Kolte-Patil Group 50% shareholding) and the Western Indian Trustee and Executor Company Limited in its capacity as the Trustee of India Advantage Fund III and IV (together the "Investors") acting through ICICI Venture Funds Management Company Limited as the Investment Manager (50% shareholding);.**

   This joint venture agreement has been entered into for the purposes of acquiring, developing and disposing of property situated at Jambhe near Pune through a special purposes vehicle, I-Ven Townships (Pune) Private Limited.

   The Kolte-Patil Group and the Investors have agreed to invest in the securities of I-Ven Townships (Pune) Private Limited in the ratio of 50:50 from time to time and have further undertaken to provide funding in the same ratio.

   The Kolte-Patil Group shall be the exclusive developers and shall be responsible for all development activities over the Scheduled Property. The Investors is responsible for advising on economic means of funding and profitable methods of disposal of the property.

   The Investors can sell assign or transfer their shareholding to any of their affiliates with prior intimation to the Kolte- Patil Group or to any third party not being a competitor of our Company, subject to execution of an appropriate deed of adherence. Such sale and transfer to a third party is however subject to an offer being first made to Kolte-Patil Group to purchase the same in accordance with the terms as contained in the Agreement. The Kolte-Patil Group have also given a non disposal undertaking to the effect that their shareholding shall not fall below 26% of the paid up share capital.The Investors are is also entitled to a tag along right and a put option.

This agreement also contains provisions relating to cash flow distribution, default drag options etc. The Agreement and may be terminated by mutual consent or on the happening of an event of default, as specified therein. In the event the Kolte-Patil Group commits an event of default, ICICI Ventures shall have the right to remove and appoint the Chief Executive Officer/Chief Financial Officer/ senior management personnel of I-Ven Townships (Pune) Private Limited, cause spin off/ sale of assets/ business of I-Ven Townships (Pune) Private Limited, and or cause change in the business plan.

2. **Joint Venture Agreement dated October 6, 2006 between the Company, Regenesis Project & Infrastructure Company Private Limited (now known as Regenesis Project Management Company Private Limited) and the Western Indian Trustee and Executor Company Limited in its capacity as the Trustee of India Advantage Fund III and IV (together, the "Investors") acting through ICICI Venture Funds Management Company Limited as the Investment Manager.**

This joint venture agreement has been entered into for the purposes of acquisition, development and disposal of property situated at Kharadi near Pune through a special purposes vehicle, I-Ven Kolte-Patil Projects (Pune) Private Limited.

The Kolte-Patil Group and the Investors have agreed to invest in the securities of I-Ven Kolte-Patil Projects (Pune) Private Limited in the ratio of 51:49, and provide funding to the extent of their shareholding.

The Kolte-Patil Group shall be exclusive developers and shall be responsible for all development activities. The Investors are responsible for advising on economic means of funding and profitable methods of disposal of the property.

The parties have agreed to certain restrictions on the transfer of shares. The Investors can sell assign or transfer their shareholding to any of their affiliates with prior intimation to the Kolte-Patil Group or to any third party not being a competitor of our Company, subject to execution of an appropriate deed of adherence. Such sale and transfer to a third party is however subject to an offer being first made to Kolte-Patil Group to purchase the same in accordance with the terms as contained in the Agreement. The Kolte-Patil Group have also given a non disposal undertaking to the effect that their shareholding shall not fall below 26% of the paid up share capital. The Investors is also entitled to a tag along right and a put option.

This agreement also contains provisions relating to cash flow distribution, default drag options etc. and may be terminated by mutual consent or on the happening of an event of default, as detailed in the Agreement. In the event the Kolte-Patil Group commits an event of default, the Investors shall have the right to change and appoint the CEO/CFO/ senior management personnel of I-Ven Kolte-Patil Projects (Pune) Private Limited, cause spin off/ sale of assets/ business of I-Ven Kolte-Patil Projects (Pune) Private Limited, cause change in the business plan.

3. **Joint Venture Agreement dated October 13, 2006 between the Company, Regenesis Project & Infrastructure Company Private Limited (now known as Regenesis Project Management Company Private Limited), ICICI Venture Funds Management Company Limited and Mr. Ishwarchand Kishorilal Goyal (Goyal)**

This joint venture agreement has been entered into for the purposes of acquisition, development and disposal of the property situated at Whagoli, Pune, through a special purposes vehicle, Corolla Realty Private Limited.

The Kolte-Patil Group, ICICI Venture and Mr. Goyal have agreed to invest in the ratio of 37:37:26 in Corolla Realty Private Limited and to provide funding to the extent of their shareholding.

The Kolte-Patil Group shall be exclusive developers and shall be responsible for all development activities ICICI Ventures and Mr. Goyal are jointly responsible for advising on economic means of funding.

The parties have agreed to certain restrictions on the transfer of shares. ICICI Ventures can sell assign or transfer its shareholding to any of its affiliates with prior intimation to the Kolte-Patil Group or to any third party not being a competitor of our Company, subject to execution of an appropriate deed of adherence. Such sale and transfer to a third party is however subject to an offer being first made to Kolte-Patil Group to purchase the same in accordance with the terms as contained in the Agreement. The Kolte-Patil Group have also given a non disposal undertaking to the effect that their shareholding shall not fall below 26% of the paid up share capital. ICICI Ventures is also entitled to a tag along right and a put option.

This agreement also contains provisions relating to cash flow distribution, default drag options etc. and the Agreement may be terminated by mutual consent or on the happening of an event of default, as detailed in the Agreement. In the event the Kolte-Patil Group or Mr. Goyal commits an event of default, ICICI Ventures shall have the right to change and appoint the Chief Executive Officer/ Chief Financial Officer/ senior management personnel of Corolla Realty Private Limited, cause spin off/ sale of assets/ business of Corolla Realty Private Limited, cause change in the business plan.

4. **Joint Development Agreement dated April 22, 2006 between the Company and Arista Developers Private Limited.**

   Under joint development agreement the parties have agreed to jointly undertake development of residential and commercial units at Hinjewadi in the name and style of Green olive ventures. Arista Developers Private Limited are responsible for ensuring a clear title to the land under development, while the Company has agreed to obtain all the development permissions, undertake construction activity and market and sell the units to be constructed. The parties have agreed to open separate bank accounts for deposit of the sale proceeds and for transactions excluding the sale proceeds. Subject to deducting certain amounts from the gross sale proceeds as agreed therein, the gross sale proceeds shall be distributed in the ratio of 40:60 between Arista Developers and the company. This arrangement shall continue until completion of the buildings and execution of conveyance in favour of society or condominium of apartment owners as the case may be.

5. **Joint Venture Agreement dated April 20, 2007 between the Company, Mr. Rajesh Patil, K2 Property Limited, Kolte-Patil Real Estate Private Limited and Regenesis Project Management Company Private Limited.**

   This joint venture agreement has been entered into for the purposes of acquiring, developing, operating and marketing real estate projects, including but not limited to, integrated town ships and commercial complexes in accordance with the FDI guidelines. The implementation of the projects shall be done through Kolte-Patil Real Estate Private Limited. The parties have identified projects at Kharadi (Suvey No. 53/54), Mohammadwadi and Bavdhan for such development. This agreement stipulates the detailed terms relating to corporate governance, business plan, distribution of profits and capital, etc.

   The parties have appointed Regenesis Project Management Company Private Limited as the project manager on the terms and conditions as set out therein, with the overall responsibility for execution, including marketing and sales of the projects.

   Subject to fulfillment of certain conditions precedent, on or before June 30, 2007 the Company and Mr. Rajesh Patil therein referred to as the "Promoters" and K2 Property Limited therein referred to as the "Investor" have agreed to subscribe to the securities of Kolte-Patil Real Estate Private Limited in the ratio of 51:49.The promoters have also agreed to subscribe to 13,260,000 number of FCDs while the Investors have also agreed to subscribe to 12,740,000 FCDs subject to the fulfillment of certain condition precedent. In the event the conditions precedent have not been fulfilled by June 30, 2007, the investor has the discretion to elect in writing, either to extend the time or terminate the agreement or convert such conditions as conditions subsequent or waive performance of the conditions in whole or in part. By their letter dated June 27, 2007, the Investor has extended the time for fulfilling the conditions precedent by a further period of 4 months effective June 30, 2007. The Investor has subsequently extended the time for fulfilling the conditions precedent by a further period of two months effective October 31, 2007. For risk associated with not having obtained a new extension, see "We have yet to satisfy certain conditions precedent contained in our joint venture agreement with K2 Property Limited. on page no. xii"

   The Investor and the Promoters are entitled to appoint 2 nominee directors each. Mr. Rajesh Patil shall be the Chairman. The promoters have agreed to arrange for a term loan equivalent to 95% of the project debt as per the business plan to meet the construction and development costs. Shortfall if any in the term loan shall be met by the promoters by way of an unsecured loan at a rate of interest similar to the market rate for such prevailing for such type of loans. Each shareholder has agreed to meet the additional funding in proportion to its shareholding.

   The Promoter's securities are locked in (i) for a period of 3 years from the effectiveness of the joint venture or (ii) until the execution and completion of the projects, as per the business plan, whichever is later. The original investment of K2 Property Limited is locked in for the minimum statutory period under the FDI Guidelines. Further, the parties have also agreed to a right of first offer and a tag along right in the event any of the shareholders desires to sell its securities. The agreement also stipulates the events of defaults and its consequences. In the event of default by a defaulting shareholder, the non defaulting shareholder has been given a put / call option in respect of all the securities held by the defaulting shareholder at the prescribed premium/ discounted value. The non defaulting shareholder also has a drag along right, in which case the total sale consideration has been agreed to be distributed between the non defaulting and defaulting shareholders in the ratio of 62.5:37.5.

   The agreement would terminate if, inter alia, the conditions precedents are not met by the long stop date or either of the Promoters or the Investors ceases to hold shares in the joint venture.

6. **Memorandum of Understanding, for the shareholder's agreement, dated April 13, 2006, between Mr. Milind Kolte and others (Kolte Patil Group) and Mr. Harish Gurnani and others (the Gurnani Shivlani Group)**

   This Memorandum of Understanding (MoU) stipulates the broad terms for developing the property at village Dhanori in Pune through Yashowardhan Promoters and Developers Private Limited (Yashovardhan). Our Company has assigned the development rights in respect of the property at village Dhanori to Yashovardhan. The Gurnani Shivlani Group has contributed to 42% equity share capital of Yashovardhan while our Company holds 57.95% equity shares thereof.

Further requirements of funds have been agreed to be adjusted from bank finance and booking amounts while in case of exceptional need both the parties have agreed to contribute additional loan to the highest of Rs.150 lacs each. In addition to the equity, both the parties shall contribute towards balance fund requirements though a director's loan. The MoU stipulates the responsibilities of the parties, and provides for the management, organization and operation of Yashovardhan. The responsibility of the day to day working including construction and sell of developed units is that of Kolte Patil Group.

The Kolte Patil Group would be paid 60% of the net profit after tax while the Gurnani Shivlani Group would be paid 40% of the net profit after tax.The joint venture between the parties hereto shall continue, unless dissolved by the Company at its general meeting. However, the parties shall have the liberty to carry out any further projects as may be unanimously decided by them. The parties are currently undertaking development of Shoppers Orbit and Dew Drops.

7. Term sheet dated September 7, 2007 between Kolte-Patil Developers Limited ("KPDL") and Arora Holdings, UK ("Arora")

Kolte-Patil Developers Limited ("KPDL") plans to enter into the hospitality sector through a joint venture with Arora International Hotels ("Arora"), a UK-based hotelier, for the development of at least two hotel properties. On September 7, 2007, the Company and Arora signed a term sheet outlining the key terms for developing the land situated at Nagar Road, Pune and Hosur Road, Bangalore as two hotels or any other use permissible under the local development regulations (the "Hotel Projects"). The final plans for the Hotel Projects are to be mutually agreed by the parties.

The Hotel Projects are to be developed through an SPV. The Company would hold development rights and an irrevocable power of attorney from the owner of the said lands has a clear and marketable title thereto free from encumbrances. The rights of the Company are to be transferred to the SPV at cost.

The SPV is proposed to be 51% owned by the Company and 49% owned by Arora. The parties have agreed to provide jointly any corporate guarantees and/or personal guarantees required for availing debt finance for the Hotel Projects. The Hotel Projects will be managed jointly by a Committee consisting of representatives of the parties and will be co-branded to reflect both the Company's and Arora's brands.

The parties have also agreed to incorporate a hotel management company on certain broad terms as agreed in the term sheet. The hotel management company would be board managed by a board of 4 directors, with 2 nominated by each party. The Company will have the right to nominate the chairman of the board. The hotel management company is proposed to be 50% owned by the Company and 50% owned by Arora. The term sheet is only an understanding between the parties to be formalized in pursuance of the terms contained in the term sheet.

Other Agreements

Except for the contracts/agreements entered in the ordinary course of our business carried on or intended to be carried on by our Company and those mentioned herein, our Company has not entered into any other agreement/contract.

Strategic and Financial Partners

Our Company does not have any collaborations, performance guarantees, technical and financial agreements. Joint Venture agreements entered into by us have been disclosed in the section titled 'Business' beginning on page 38 of this Red Herring Prospectus.

OUR MANAGEMENT

Board of Directors

We currently have 8 directors. The following table sets forth current details regarding our Board of Directors:

Name, Designation, Father's/ Husband's Name, Address and Occupation	Age	Other Directorships
Mr. Rajesh Patil, Son of Mr. Anirudha V. Patil Chairman and Managing Director Plot No.53, Lane No. 2, Koregaon Park, Pune-411 001 Occupation: Business	44	• Patil Developers Private Limited • Yashowardhan Promoters and Developers Private Limited • Regenesis Project Management Company Private Limited • Sylvan Acres Realty Private Limited • Corolla Realty Private Limited • I-Ven Townships (Pune) Private Limited • I-Ven Kolte-Patil Projects (Pune) Private Limited • Kolte-Patil Real Estate Private Limited • KPA Developers Private Limited • Kolte-Patil Investment and Finance Private Limited • Olive Realty Private Limited • Bellflower Properties Private Limited • Megaspace IT-SEZ Private Limited • Lilac Hospitality Private Limited • Oakwoods Hospitality Private Limited • Jasmine Hospitality Private Limited
Mr. Naresh Patil, Son of Mr. Anirudha V. Patil Joint Managing Director 978, 12th A Main, HAL IInd Stage, Indira Nagar, Bangalore-560 038 Occupation: Business	42	• Patil Developers Private Limited
Mr. Milind Kolte, Son of Mr. Digambar Kolte Executive Director 46, National Society, Baner Road, Aundh, Pune-411 014 Occupation: Business	46	• Patil Developers Private Limited • Yashowardhan Promoters and Developers Private Limited • Regenesis Project Management Company Private Limited • Sylvan Acres Realty Private Limited • Corolla Realty Private Limited • I-Ven Townships (Pune) Private Limited • I-Ven Kolte-Patil Projects (Pune) Private Limited • Kolte-Patil Real Estate Private Limited • KPA Developers Private Limited • Kolte-Patil Investment and Finance Private Limited • Olive Realty Private Limited • Bellflower Properties Private Limited • Megaspace IT-SEZ Private Limited • Oakwoods Hospitality Private Limited
Mrs. Sunita M. Kolte, Wife of Mr. Milind Kolte Executive Director 46, National Society, Baner Road, Aundh, Pune-411 014 Occupation: Business	39	• Patil Developers Private Limited • Yashowardhan Promoters & Developers Private Limited • Lilac Hospitality Private Limited • Jasmine Hospitality Private Limited

Name, Designation, Father's/ Husband's Name, Address and Occupation	Age	Other Directorships
Mr. G. L. Vishwanath, Son of G.L.N. Ayya Independent Director Address : 5/1, 1st Cross, CSI Compound, Off Mission Road, Bangalore-560 027 Profession: Advocate	45	● Oopsystems Software Services (P) Ltd., Alternate Director ● M/s. Vishwanath & Manasa Advocates and Solicitor - Partner
Mr. Manish Doshi, Son of Umedbhai Doshi Independent Director Address : A-1202, Chandanbala Apartments, 4, R.R. Thakkar Marg, Walkeshwar, Mumbai–400 006 Occupation: Business	45	● Amoli Organics Private Limited ● Umedica Laboratories Private Limited ● Sweta Pharma Private Limited
Mr. Satish Tandon, Son of Jiwan Lal Tandon Independent Director Address: D-332, Defence Colony, New Delhi-110 024 Occupation: Business	60	● Alfa Laval India Limited ● Esab India Limited ● Modern Dairies India Limited
Mr. Achyut Watve, Son of Mr. Naryan Mahedeo Watve, Independent Director Address: Maitra 1219, Shivajinagar, Pune-411 004 Occupation: Business	54	● M/s. Y.S. Sane and Associates, Partner

Details of Directors

Mr. Rajesh Patil, 44 years, Chairman and Managing Director, holds a degree in Civil Engineering from University of Mysore. He started his career in 1989 with Kolte-Patil Group. His role and responsibilities include business development, land procurement and funding requirements of the group companies. He is also responsible for new business planning and strategies. Under his leadership, the Company is taking strides towards achieving a goal of making Kolte-Patil Group a renowned name in real estate development in India and abroad. He has a total experience of more than 17 years.

Mr. Naresh A. Patil, 42 years, Joint Managing Director, holds a degree in Commerce from University of Pune. He started his career in 1991 with Kolte-Patil Group. His role and responsibilities include handling of the day-to-day business operations of the Company's business in Bangalore. He has a total experience of more than 15 years.

Mr. Milind Kolte, 46 years, Executive Director, holds a degree in Law from the University of Amaravati and a degree in Commerce from University of Nagpur. He started his career in 1990 with Kolte-Patil Group. His role and responsibilities include handling of all the group companies' day-to-day legal matters and operations, procurement and planning of construction activity. He has a total experience of more than 16 years.

Mrs. Sunita M. Kolte, 39 years, Executive Director, holds a degree in Commerce from University of Pune. She started her career in 1996 with Kolte-Patil Group. Her role and responsibilities include handling of day-to-day operations of the Company and looking after administration, sales promotions, advertisements, publicity and public relations for the Company. She has a total experience of more than 10 years.

Mr. G. L. Vishwanath, 45 years, is a practicing senior lawyer from Bangalore. He has 20 years of experience in the legal field. He appears before various forums such as High Court, Civil, Criminal and consumer courts, tribunals, state commission and the Supreme Court of India. His areas of practice are Constitutional Law, Corporate Law, M&A, Trade Marks, IPR, Contracts and disputes relating to land and property matters. He has worked previously for three years with ITC Limited, Kolkata.

Mr. Manish Doshi, 45 years also a Managing Director of Amoli Organics Private Limited. He is a graduate in pharmacy and Master in Finance from Jamnalal Bajaj Institute of Management, Mumbai. He is managing his family business which is valued at Rs. 1500 million for last 26 years. Amoli Group of companies manufacture bulk drugs, medicines and formulations. He is currently the Hon. Vice-Presdident of Indian Drugs Manufacturers Association (IDMA). He was appointed as the Hon. General Secretary of IDMA in 1999.

Mr. Satish Tandon, 60 years is a graduate in Chemical Engineering from Indian Institute of Technology, New Delhi and has done his MBA from FMS New Delhi. He has also attended management programs at Harvard Business School and Ashridge University, UK. Mr. Tandon was the Managing Director of Alfa Laval India Limited till October, 2005. He was also the Chairman of four Alfa Laval Group companies. Currently he is the director of Alfa Laval India Ltd., Esab India Ltd and Modern Dairies India Ltd. He has 38 years of rich experience in management of various functions in Alfa Laval Group companies. He is a recipient of various prestigious awards such as 'Udyog Ratna-Lifetime Achievement Award' from Wisitex Foundation, NRIA Award for Excellence as Best Industrialist and IMM Award for Excellence in 2003.

Mr. Achyut Watve, 54 years, is a Civil Engineer from University of Pune. Mr. Watve is a senior partner of M/s Y. S. Sane Associates, a well-known Structural Consultants in Pune and Mumbai. He is associated with this firm for more than 22 years as partner, out of his total experience of more than 27 years in field of structural engineering. Under his leadership his firm has provided structural designs and consultancy for almost all the builders, developers and architects in Pune and Mumbai. Many recent high-rise buildings, commercial and residential projects, hotels and retail projects in Pune and Mumbai are using structural designs created by his firm.

Borrowing Powers of the directors in our Company

Pursuant to a resolution passed by our shareholders in accordance with the provisions of the Companies Act, our Board has been authorised to borrow sums of money for the purpose of the Company upon such terms and conditions and with or without security as the Board of Directors may think fit, provided that the money or monies to be borrowed together with the monies already borrowed by the Company shall not exceed, at any time, a sum of Rs. 6,000 million.

Details of appointment and compensation of our Directors:

Name of Directors	Contract/ Appointment Letter/Resolution	Details of Remuneration	Term
Mr. Rajesh Patil	Appointment by the resolution of the Board of Directors dated June 27, 2006 and resolution of the shareholders of our Company dated July 21, 2006. And the increase in the remuneration of Managerial Personnel was authorized by the Resolution of the Board of Directors dated June 27, 2007 & the resolution of the Shareholders in 16th Annual General Meeting dated July 4, 2007.	Rs. 6 million approximately per annum plus perquisites	April 15, 2005 to March 14, 2010
Mr. Milind Kolte	Appointment by the resolution of the Board of Directors dated June 27, 2006 and resolution of the shareholders of our Company dated July 21, 2006. And the increase in the remuneration of Managerial Personnel was authorized by the Resolution of the Board of Directors dated June 27, 2007 & the Resolution of the Shareholders in 16th Annual General Meeting dated July 4, 2007.	Rs. 6 million approximately per annum plus perquisites	April 15, 2005 to March 14, 2010
Mr. Naresh Patil	Appointment by the resolution of the Board of Directors dated June 27, 2006 and resolution of the shareholders of our Company dated July 21, 2006. And increase in the remuneration of Managerial Personnel was authorized by the Resolution of the Board of Directors dated June 27, 2007 & the Resolution of the Shareholders in 16th Annual General Meeting dated July 4, 2007.	Rs. 6 million approximately per annum plus perquisites	April 15, 2005 to March 14, 2010

Name of Directors	Contract/ Appointment Letter/Resolution	Details of Remuneration	Term
Mrs. Sunita Kolte	Appointment by the Resolution of the Board of Directors dated June 27, 2006 and resolution of the shareholders of our Company dated July 21, 2006. And the increase in the remuneration of Managerial Personnel was authorized by the Resolution of the Board of Directors dated June 27, 2007 & the Resolution of the Shareholders in 16th Annual General Meeting dated July 4, 2007.	Rs. 6 million approximately per annum plus perquisites	April 15, 2005 to March 14, 2010
Mr. G. L. Vishwanath	Appointment by the Resolution of the Board of Directors dated December 26, 2006 and the Resolution of the Shareholders in the 16th Annual General Meeting dated July 4, 2007.	Only Sitting Fees*	Appointed as a Director liable to retire by rotation.
Mr. Manish Doshi	Appointment by the Resolution of the Board of Directors dated December 26, 2006 and the Resolution of the Shareholders in the 16th Annual General Meeting dated July 4, 2007.	Only Sitting Fees*	Appointed as a Director liable to retire by rotation.
Mr. Satish Tandon	Appointment by the Resolution of the Board of Directors dated December 26, 2006 and the Resolution of the Shareholders in the 16th Annual General Meeting dated July 4, 2007.	Only Sitting Fees*	Appointed as a Director liable to retire by rotation.
Mr. Achyut Watve	Appointment by the Resolution of the Board of Directors dated December 26, 2006 and the Resolution of the Shareholders in the 16th Annual General Meeting dated July 4, 2007.	Only Sitting Fees*	Appointed as a Director liable to retire by rotation.

* The Articles of our Company provides for sitting fees and commission for the Directors as determined by the Board. Pursuant to the Board Resolution dated April 15, 2005 sitting fees of Rs. 20,000/- are payable to each Independent Director for his attendance at a board meeting of the Company.

The Directors are not entitled to any benefits from our Company upon termination of their employment.

Shareholding of Directors in our Company

The following table details the shareholding of our directors in our Company prior to the Issue:

Sr.No.	Name of Shareholders	Number of Equity Shares
1.	Mr. Rajesh Patil	15,486,031
2.	Mr. Milind Kolte	6,442,156
3.	Mr. Naresh Patil	14,949,148
4.	Mrs. Sunita Kolte	5,497,037

Interest of our Directors

All our Directors, including Independent Directors, may be deemed to be interested to the extent of fees, if any, payable to them for attending meetings of the Board or a committee thereof as well as to the extent of other remuneration and reimbursement of expenses payable to them. The Managing Director and our Executive Directors are interested to the extent of remuneration paid to them for services rendered as an officer or employee of our Company.

All our Directors, including independent Directors, may also be deemed to be interested to the extent of Equity Shares, if any, already held by them or that may be subscribed for and allotted to them, out of the present Issue in terms of the Red Herring Prospectus and also to the extent of any dividend payable to them and other distributions in respect of the said Equity Shares. Our Directors, including independent Directors, may also be regarded as interested in the Equity Shares, if any, held by or that may be subscribed by and allotted to the companies and firms, in which they are interested as directors, members or partners.

Some of our directors may be deemed to be interested to the extent of consideration received/paid or any loans or advances provided to any body corporate including companies and firms in which they are interested as directors, members or partners. For further details refer to the section titled "Financial Statements - Related Party Transactions" on page 126 of this Red Herring Prospectus.

Except as stated, in the Section "History and Other Corporate Matters" beginning on page 67 of this Red Herring Prospectus, we have neither entered into any contracts in the last two years prior to the date of this Red Herring Prospectus, in which our Directors are parties, directly or indirectly, nor have payments been made to them in respect of any such contracts, nor is it proposed to make payments to them other than as described in "*Consolidated Financial Statements – Related Party Transactions*" beginning on page 148 of this Red Herring Prospectus. However, we do enter into, on an arms length basis, ordinary business contracts with companies in our Promoter group.

Changes in our Board of Directors during the last three years

The changes in our Board of Directors during the last three years are as follows:

Name	Date of Appointment	Date of Cessation	Reason
Mr. Sudhir Patil	May 20, 1995	February 10, 2004	Resignation
Mr. Anirudha Patil	November 11, 1992	November 16, 2005	Resignation
Mr. Ushadevi Patil	November 11, 1992	November 16, 2005	Resignation
Mrs. Sunita Patil	November 11, 1992	November 15, 2006	Resignation
Mrs. Vandana Patil	November 11, 1992	November 15, 2006	Resignation
Ms. Ankita Patil	May 10, 2005	November 15, 2006	Resignation
Mr. G. L. Vishwanath	December 26, 2006	–	Appointment as independent director
Mr. Manish Doshi	December 26, 2006	–	Appointment as independent director
Mr. Satish Tandon	December 26, 2006	–	Appointment as independent director
Mr. Achyut Watve	December 26, 2006	–	Appointment as independent director

Corporate Governance

The provisions of the listing agreements to be entered into with the Stock Exchanges with respect to corporate governance become applicable to the Company at the time of seeking in-principle approval of the Stock Exchanges. The Company has taken steps to comply with such provisions, including with respect to the appointment of independent Directors to the Board and the constitution of the following committees of the Board namely the Audit Committee and the Shareholders/Investors Grievance Committee. The Company undertakes to take all necessary steps to comply with all the requirements of the guidelines on corporate governance and adopt the corporate governance code as per Clause 49 of the listing agreement to be entered into with the Stock Exchanges.

The Board has eight Directors and the Chairman of the Board is a non executive Director. In compliance with the requirements of Clause 49 of the listing agreement, not more than 50% of the Board comprises independent Directors.

Audit Committee

The Audit Committee was constituted by the Directors at their Board meeting held on December 26, 2006. The purpose of the Audit Committee is to ensure the objectivity, credibility and correctness of the Company's financial reporting and disclosure processes, internal controls, risk management policies and processes, tax policies, compliance and legal requirements and associated matters.

The constitution of the Audit Committee is as follows:

Name of the Director	Executive /Independent
Mr. Manish Doshi (Chairman)	Independent Director
Mr. Milind Kolte	Executive Director
Mr. G.L.Vishwanath	Independent Director
Mr. Achyut Watve	Independent Director
Mr. Satish Tandon	Independent Director

The terms of reference of the Audit Committee are as follows:

- Regular review of accounts, accounting policies and disclosures.
- Review the major accounting entries based on exercise of judgment by management and review of significant adjustments arising out of audit.
- Review any qualifications in the draft audit report.
- Establish and review the scope of the independent audit including the observations of the auditors and review of the quarterly, half-yearly and annual financial statements before submission to the Board.
- Upon completion of the audit, discussions with the independent auditors to ascertain any area of concern.
- Establish the scope and frequency of the internal audit, review the findings of the internal auditors and ensure the adequacy of internal control systems.
- Examine reasons for substantial defaults in payment to depositors, debenture holders, shareholders and creditors.
- Examine matters relating to the Director's Responsibility Statement for compliance with Accounting Standards and accounting policies.
- Oversee compliance with Stock Exchange legal requirements concerning financial statements, to the extent applicable.
- Examine any related party transactions, i.e. transactions of the Company that are of a material nature with promoters or management, relatives, etc. that may have potential conflict with the interests of the Company.
- Appointment and remuneration of statutory and internal auditors.
- Such other matters as may from time to time be required under any statutory, contractual or other regulatory requirement.

Shareholders/Investors Grievance Committee

The Shareholders and Investors Grievance Committee was constituted by the Directors at their Board meeting held on September 7, 2007. The Shareholders/Investors Grievance Committee is responsible for the redressal of investor grievances.

The constitution of the Shareholders and Investor Grievance Committee is as follows:

Name of the Director	**Executive /Independent**
Mr. Manish Doshi (Chairman)	Independent Director
Mr. Milind Kolte	Executive Director
Mr. G.L.Vishwanath	Independent Director
Mr. Achyut Watve	Independent Director
Mr. Satish Tandon	Independent Director

The terms of reference of the Shareholders and Investor Grievance Committee are as follows:

- Supervise investor relations and redressal of investors' grievances in general, including non-receipt of dividends and interest.
- Such other matters as may from time to time be required under any statutory, contractual or other regulatory requirement.

Remuneration/Compensation Committee

The Remuneration Committee was constituted on December 26, 2006. The members of the Remuneration/Compensation Committee of the Board are Mr. G.L.Vishwanath, Mr.Satish Tandon, Mr. Manish Doshi, Mrs. Sunita Kolte, and Mr. Achyut Watve as members. The Remuneration Committee has 4 independent Directors.

The Remuneration Committee is responsible for appointment, re-appointment, determination/fixation of the remuneration and revision in the remuneration payable to the existing executive directors of the Company from time to time, Grant of stock options to the Eligible Employees.

Other Committees

IPO Committee

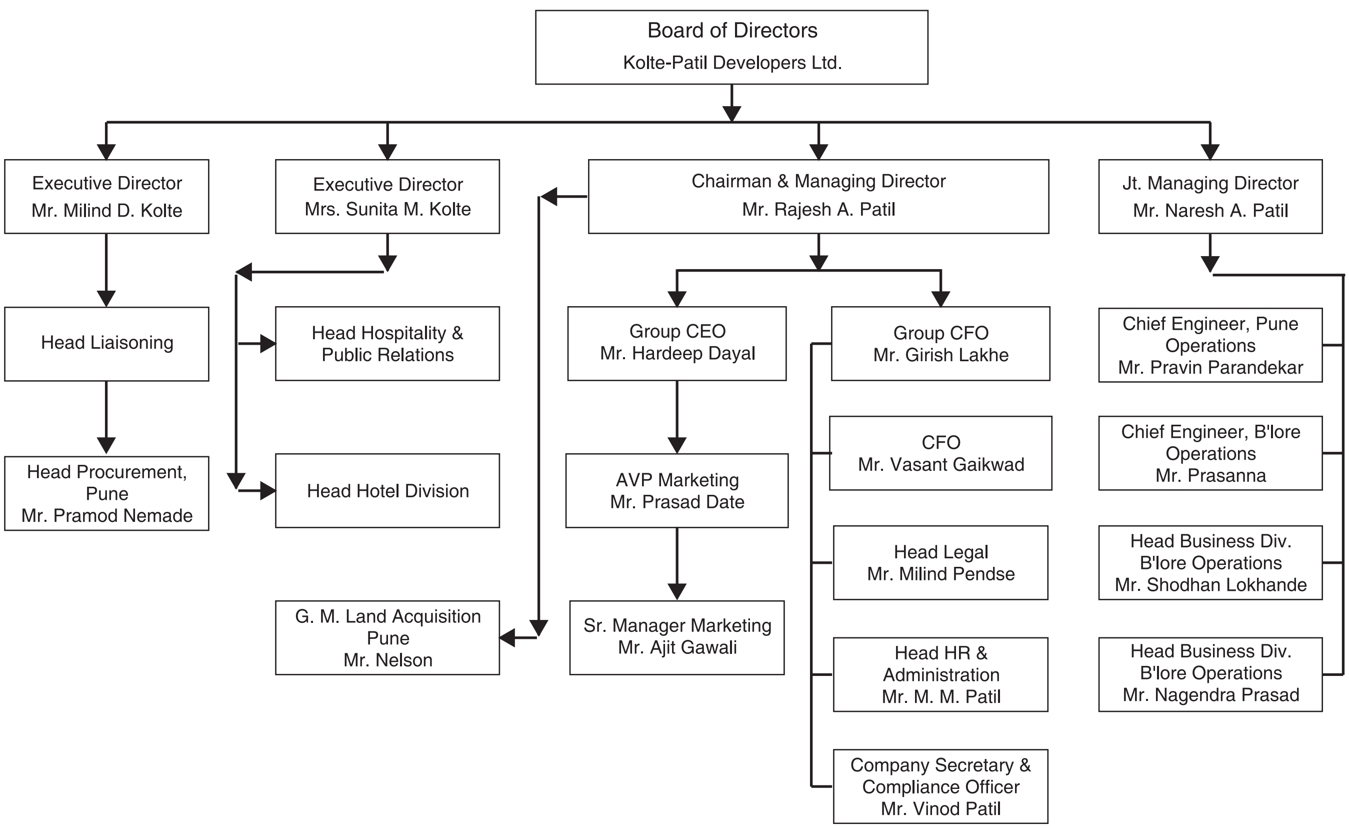
The IPO Committee was constituted on November 17, 2006 with Mr. Rajesh Patil and Mr. Milind Kolte as members.

The powers conferred on the Committee include the powers to decide on the timing and all the terms and conditions of the Issue of Equity Shares, number of Equity Shares, price including premium, amount to be paid on application; alter, vary, add or delete any of the terms and conditions of the Issue and to accept such amendments, modifications, variations and alterations as SEBI, the Stock Exchanges and / or any other concerned authorities may stipulate in that behalf; appoint and enter into arrangements with the book running lead managers, co-managers, underwriters, legal advisors to the Issue, registrar, advertising agency and any other agency or persons as required from time to time; pay commission, fees, remuneration, expenses and / or any other charges to the above agencies / persons and to give them such directions or instructions as it may deem fit from time to time; make applications to one or more stock exchanges in India for listing of the Equity Shares and to execute and deliver or arrange the delivery of Listing Agreement(s) or equivalent documentation to the concerned stock exchanges; Issue offer document(s) and execute all such deeds, documents and writings as may be necessary in connection with the Issue; Do such other acts, deeds, matters and thing as may be required for or in connection with the Issue.

ESOS

For details of our ESOS Scheme, see notes to Capital Structure under the section titled "Capital Structure" on page 14 of this Red Herring Prospectus.

Management Organisational Chart



Key Management Personnel of Kolte-Patil Developers Limited

Group Chief Executive Officer: Mr. Hardeep Dayal

Mr. Hardeep Dayal, 35 years, Group Chief Executive Officer (CEO), holds a BHM (Bachelor of Hotel Management) from Mangalore University and MBA from Queensland University of Technology, Brisbane, Australia. He has 12 years of work experience in real estate industry. In his previous assignments he has worked with Mahindra Realty and Knight Franks. In his last assignment he was Head of Property Services Division of ICICI Bank Limited. His role and responsibilities include management of project execution, developing and maintaining investors' relations, marketing, fund raising and investment planning, business strategy and planning, and managing day-to-day operations of KPDL and the Group companies. He joined our organization on November 2005. Mr. Dayal has been paid a remuneration of Rs. 0.96 Million for the Financial Year 2006-

2007.

Group Chief Financial Officer: Mr. Girish Lakhe

Mr. Girish Lakhe, 48 years, Group Chief Financial Officer (CFO), is Bachelor of Commerce from University of Pune and holds professional qualifications such as Chartered Accountant and Company Secretary. He has 23 years of work experience of handling finance, financial accounts, audit, mergers and acquisitions, structuring, funds raising, IPOs; compensation schemes, commercial, secretarial and legal functions in various multinational companies. He was previously associated with the ICICI One Source Limited. His role and responsibilities include overall financial management of the Group, Raising Project Finance, Institutional/ Bank Finance, Short term and Long term funds management, investment management, regulatory compliances, advising on suitable structures for tax efficiency and tapping FDI funds and Liasioning with real estate and venture capital funds and financial institutions for equity and debt raising. He is also responsible for managing the above functions for all the Group Companies and Joint Venture companies. He joined our organization in September 2005. Mr. Lakhe has been paid a remuneration of Rs. 0.76 Million for the Financial Year 2006-2007.

Head Legal- Mr. Milind Pendse

Mr. Milind Pendse, 34 years, holds a Bachelors degree in Commerce and Law. He is also Master of Law from Karnataka University. He is recipient of four gold medals for academic excellence and for standing first in the Karnataka University's LLB and LLM examinations. He has more than 10 years of work experience in multinational companies. He was previously associated with Thyssen Krupp, Zensar Technologies Ltd; Novartis India and Tech Mahindra Limited. His responsibilities include handling all the legal affairs of the Group, including, contracts, agreements, legal due diligence, litigations and corporate legal. Prior to joining our company in December 2006, Mr. Pendse was associated with Tech Mahindra Limited. Mr. Pendse has been paid a remuneration of Rs. 0.23 Million for the Financial Year 2006-2007.

Chief Engineer- Pune Operations: Mr. Pravin Parandekar

Mr. Praveen Parandekar, 47 years, chief engineer, is a civil engineer from Pune University. Mr. Parandekar has more than 26 years of experience in planning, design & execution of commercial & residential projects with stipulated time and quality workmanship. He handles construction of all Pune projects. He joined our organisation in August 1995. Mr. Parandekar has been paid a remuneration of Rs. 0.44 Million for the Financial Year 2006-2007.

Chief Engineer – Bangalore Operations: Mr. S. K. Prasanna

Mr. S.K. Prasanna, 37 years, holds a Bachelors degree in Civil Engineering. He has more than 15 years of work experience. He is responsible for project planning, sanctioning, and appointment of consultants, architects, contractors, and overall execution of the projects at Bangalore. Prior to joining our organization in March 1997, he was associated with Ramayya Housing Limited. Mr. Prasanna has been paid a remuneration of Rs. 0.35 Million for the Financial Year 2006-2007.

Chief Finance Officer: Mr.Vasant Gaikwad

Mr. Vasant Gaikwad, 42 years, is a Bachelor of Commerce from Pune University and also a chartered accountant. He has more than 10 years of experience in handling financial accounting, taxation, internal audit and finance. He is responsible for internal audit and taxation functions at the head office of the Company at Pune. Mr. Gaikwad joined our organization in April 1995. Mr. Gaikwad has been paid a remuneration of Rs. 0.24 Million for the Financial Year 2006-2007.

Head of Human Resources and Administration – Mr. M. M. Patil

Mr. M. M. Patil, age 60 years, holds a degree B. Sc. and Post Graduate in Management, M. B. A. (Marketing & Personnel Management) from the Pune University. He is a member of N I PM , ISTD and P M A. He has 27 years experience in the field of Human Resource Management and Administration. He was associated with leading Indian Industrial houses such as Walchand Group, Rathi Group. He joined our organisation in April 1, 2007. Mr. Patil has been paid a remuneration of Rs. 0.01 Million for the Financial Year 2006-2007.

Company Secretary and Compliance Officer: Mr. Vinod Patil

Mr. Vinod Patil, 34 years, Company Secretary, is Commerce and Law graduate and is a qualified Company Secretary. He has more than 5 years of experience in secretarial, legal and company law matters. He is appointed as Company Secretary and Compliance Officer of the Company. Prior to joining our Company in August 1, 2006, he was associated with Swarovski India Private Limited. Mr. Patil has been paid a remuneration of Rs. 0.22 Million for the Financial Year 2006-2007.

General Manager- Land Acquisition- Pune: Mr. Nelson Misquith

Mr. Nelson Misquith, 49 years, General Manager, Land Acquisition, holds Bachelors degree in Commerce from Pune University. He has more than 28 years of experience in various functions in real estate industry. His main responsibility is identification of lands, legal due diligence of land documents, negotiations and procurement of land for Pune operations. Prior to joining our

Company in April 1995, he was associated with the Natasha Construction Private Limited. Mr. Misquith has been paid a remuneration of Rs. 0.45 Million for the Financial Year 2006-2007.

Head Business Development – Bangalore operations: Mr. Shodhan Lokhande

Mr. Shodhan Lokhande, 31 years, is a Civil Engineer. He has more than 10 years of work experience in real estate industry. His responsibilities include inspection of lands, feasibility study, and legal documentation with respect to purchase of land, liaisoning with the local authorities for Bangalore operations. Prior to joining our Company in August 1999, he was associated with M/s Creative Source. Mr. Lokhande has been paid a remuneration of Rs. 0.34 Million for the Financial Year 2006-2007.

Head Procurement – Pune Operations: Mr. Pramod Nemade

Mr. Pramod Nemade, 34 years, Purchase Manager, is a civil engineer from Pune. He has 15 years of work experience in construction field as site engineer, project engineer and procurement manager. His responsibilities include procurement of construction and interior material, execution and management of interior works for IT as well as in commercial buildings at Pune. He joined our organization in June, 1996. Mr. Nemade has been paid a remuneration of Rs. 0.47 Million for the Financial Year 2006-2007.

Head Procurement – Bangalore operations: Mr. Nagendra Prasad

Mr. Nagendra Prasad, 38 years, holds a Bachelors degree in Civil Engineering. He has more than 18 years of Work experience. His role and responsibilities include procurement of construction materials, co-ordinating with suppliers and testing and approval of new materials for the Bangalore operations. Prior to joining our Company in May 1995, he was associated with Sukhada Raj and Co. Mr. Prasad has been paid a remuneration of Rs. 0.34 Million for the Financial Year 2006-2007.

All the key management personnel are permanent employees of our Company. None of our key managerial personnel are related to each other. None of our key managerial personnel are appointed due to any understanding or agreement with a major shareholder, client or supplier.

Key Management Employees of Regenesis holding group responsibilities

Group Sr. Vice President – Land Acquisition & Institutional Investment: Mr. Tushar Rane

Mr. Tushar Rane, 34 years, Sr. Vice President – Land Acquisition, is a Bachelor of Science (Physics) from the Mumbai University. He has 13 years of work experience in the field of real estate. He was previously associated with Knight Franks and ICICI Property Services Division of ICICI Bank. His responsibilities include developing and maintaining institutional investors' relations, and investment planning, selection, sourcing, acquisition of land and exploring new opportunities in real estate development. He joined our organization in November 2005.

Group Sr. Vice President – IT Marketing & Investments: Mr. Shivjot Cheema

Mr. Shivjot Cheema, 33 years, Sr. Vice President, is a Bachelor of Commerce from Shivaji University, Kolhapur. He has 11 years of work experience in the field of real estate. He was previously associated with Colliers and Property Services Division of ICICI Bank. His role and responsibilities include developing and maintaining individual real estate investors' relations, investment advisory portfolio and asset management, leasing and marketing of constructed and built-to-suit IT spaces. He joined our organisation in November 2005.

Group Sr. Vice President – Marketing Residential & Retail: Mr. Prakash Shetty

Mr. Prakash Shetty, 33 years, Sr. Vice President, is a Bachelor of Commerce from the University of Mumbai. Mr. Prakash Shetty has 13 years of work experience in the field of real estate. Mr. Prakash Shetty was previously associated with HDFC and Property Services Group of ICICI Bank. His role and responsibilities include marketing of all residential, commercial & retail projects, doing research to provide inputs for sectoral development and feasibility analysis of the acquired land, devising pricing, promotion and product mix for all the real estate projects. Mr. Prakash Shetty joined our organisation in April 2006.

Group Sr. Vice President – Design & Drawings: Mr. Abhay Patil

Mr. Abhay Patil, 35 years, Sr. Vice President, is a Civil Engineer. Mr. Abhay Patil has 16 years of work experience in real estate development. His role and responsibilities include handling planning, design, and development of real estate, liaisoning with various local authorities, co-ordination with project architects, structural designers and consultants. Mr. Abhay Patil joined our organisation in April 1995.

Shareholding of the Key Managerial Personnel

None of our key managerial personnel hold any Equity Shares of our Company.

Bonus or Profit Sharing Plan for our Key Managerial Personnel

There is no bonus or profit sharing plan for our key managerial personnel.

Interest of Key Managerial Personnel

Except as disclosed in “Related Party Transactions” on page 100 of this Red Herring Prospectus, none of our key managerial personnel have any interest in the Company except to the extent of remuneration and reimbursement of expenses.

Changes in Key Managerial Personnel

The following changes have taken place in the Key Managerial Personnel in the past three years immediately preceding the date of Red Herring Prospectus:

Name	**Position**	**Change**	**Date**	**Reason**	**Previous Employment**
Mr. Girish Lakhe	Group Chief Financial Officer	Appointment as Group CFO	February 10, 2007	Organisational restructuring	Regenesis Project Management Company Private Limited (A wholly owned subsidiary of KPDL)
Mr. Hardeep Dayal	Group Chief Executive Officer	Appointment as Group CEO	February 10, 2007	Organisational restructuring	Regenesis Project Management Company Private Limited (A wholly owned subsidiary of KPDL)
Mr. Vinod Patil	Company Secretary	Appointment	August 1, 2006	New Appointment	Swarovski India Private Limited
Mr. Milind Pendse	Head Legal	Appointment	December 1, 2006	New Appointment	Tech Mahindra Limited
Col. S. S. Kaul	Head HR and Administration	Retired	March 31, 2007	N.A.	N.A.
Mr. M.M. Patil	Head HR and Administration	Appointment	April 1, 2007	New Appointment	Walchand Rathi Group
Mr. Vasant Gaekwad	Chief Finance Officer	Appointment	February 10, 2007	As part of organizational restructuring, designated as the CFO	N.A

OUR PROMOTERS AND PROMOTER GROUP COMPANIES

Promoters:

The Promoters of our Company are:

1. Mr. Rajesh Anirudha Patil
2. Mr. Milind Digambar Kolte
3. Mr. Naresh Anirudha Patil

Mr. Rajesh Anirudha Patil, 44 years [Passport No. F8424109, Driving License Number: MH12/03/367356, PAN: AAXPP9193L], a resident Indian National is our Promoter. He holds a degree in Civil Engineering from the University of Mysore. He has 17 years of experience in the real estate sector. Mr. Rajesh Patil is responsible for the business development, land procurement, and funding requirements for the various projects undertaken by the Company and is instrumental in making strategic decisions on behalf of the Company. He has been associated with our Company since its inception as its Promoter.

Mr. Milind Digambar Kolte, 46 years, [Passport No. A4140366, Driving License Mumber:MH12/05/594371, PAN: ABIPK57806], a resident Indian National is our Promoter. He holds a degree in Law and Commerce from the Universities of Amravati and Nagpur respectively**.** Mr. Milind Kolte has more than 16 years of experience in the field of real estate development and is responsible for handling the day to day operations, legal matters, procurement of land and construction activities for the various projects undertaken by the Company.

Mr. Naresh Anirudha Patil, 42 years, [Passport No. A4037940, Driving License Number: 3365/81/JAL, PAN: AAXPP9202G], a resident Indian National is our Promoter. He holds a degree in Commerce from the University of Pune**.** Mr. Naresh Patil has more than 15 years of experience in the field of real estate development and is responsible for the handling of all the Bangalore based projects of the Compaany

For further details of our Promoters, please refer to our section titled "Our Management" and for details of outstanding litigation by and against them, please refer to the section titled "Outstanding Litigations, Material Developments and Other Disclosures" beginning on 73 and 192 respectively, of this RHP.

Common Pursuits

All our Promoter Group entities mentioned below, except Kolte-Patil Investment & Finance Private Limited are engaged in business similar to that undertaken by our Company.

We shall adopt the necessary procedures and practices as permitted by law to address any conflict situations, as and when they may arise. For, further details on the related party transactions, to the extent of which our Company is involved, see "Related Party Transactions" on page 100 of this Red Herring Prospectus.

Interest in promotion of our Company

Our Company has been promoted by Mr. Rajesh Patil and Mr. Milind Kolte. For this purpose, Mr. Rajesh Patil and Mr. Milind Kolte had subscribed to our Memorandum of Association and had subscribed to the initial issue of Equity Shares.

Interest in any property acquired by the Company within two years of the date of the Red Herring Prospectus or proposed to be acquired by the Company.

Our Promoters do not have any interest in property acquired by the Company within two years of the date of the Red Herring Prospectus.

Payments of benefits to our Promoters during the last two years

Except as stated in the section titled “Financial Statements- Related Party Transactions” beginning on page 126 of this Red Herring Prospectus, there has been no payment of benefits to our Promoters during the last two years from the date of filing of this Red Herring Prospectus.

Other Confirmations:

We confirm that the details of the permanent account numbers, bank account numbers and passport numbers of our individual promoters shall be submitted to the Stock Exchanges at the time of filing the Red Herring Prospectus with the Stock Exchanges.

Further, our Promoters and Promoter Group, including relatives of the Promoter have confirmed that they have not been detained as wilful defaulters by the RBI or any other governmental authority and there are no violations of securities laws committed by them in the past or are pending against them.

Promoter Group:

Given below is the list of entities which form part of our Promoter Group. The Promoter Group consists of natural persons, private companies and partnership firms. None of them has become a sick company under the meaning of Sick Industrial Companies (Special Provisions) Act, 1985 (SICA) and none of them is under winding up.

The natural persons who are part of our Promoter Group (due to the relationship with our Promoters), other than the Promoters named above are as follows:

1. Mrs. Usha Devi Anirudha Patil (mother of Mr. Rajesh Patil, Naresh Patil and Mrs. Sunita Kolte)
2. Mr. Anirudha Vishwanath Patil (father of Mr. Rajesh Patil, Mr. Naresh Patil and Mrs. Sunita Kolte)
3. Mrs. Sunita Patil (wife of Mr. Rajesh Patil)
4. Mrs. Vandana Patil (wife of Mr. Naresh Patil)
5. Ms. Ankita Patil (daughter of Mr. Rajesh Patil)
6. Mr. Yashovardhan Patil (son of Mr. Rajesh Patil)
7. Mr. Harshavardhan Patil (son of Mr. Naresh Patil)
8. Ms. Prianjali Patil (daughter of Mr. Naresh Patil)
9. Mr. Digambar Kolte (father of Mr. Milind Kolte)
10. Mrs. Pramila Kolte (mother of Mr. Milind Kolte)
11. Mrs. Sunita Kolte (wife of Mr. Milind Kolte)
12. Mr. Pradeep Kolte (brother of Mr. Milind Kolte)
13. Mr. Sudhir Kolte (brother of Mr. Milind Kolte)
14. Mrs. Jyoti Choudhury (sister of Mr. Milind Kolte)
15. Mr. Nirmal Kolte (son of Mr. Milind Kolte)
16. Mr. Virag Kolte (son of Mr. Milind Kolte)
17. Mr. Dattaraya Khandu Bhole (father of Mrs. Sunita Patil)
18. Mrs. Vasanti Dattaraya Bhole (mother of Mrs. Sunita Patil)
19. Mr. Bhagwat Ramu Talele (father of Mrs. Vandana Patil)
20. Mrs. Vimal Bhagwat Talele (mother of Mrs. Vandana Patil)
21. Mr. Sandeep Bhole (brother of Sunita Patil)
22. Mr. Pradeep Bhole (brother of Sunita Patil)

23. Mr. Kishore Talele (brother of Vandana Patil)

24. Mr. Satish Talele (brother of Vandana Patil)

The companies which form part of our Promoter Group and their shareholding pattern as on the date of the Red Herring Prospectus is mentioned below:

1. Patil Developers Private Limited
2. Sylvan Acres Realty Private Limited
3. I-Ven Townships (Pune) Private Limited
4. Yashowardhan Promoters & Developers Private Limited
5. Kolte-Patil Investment & Finance Private Limited
6. Corolla Realty Private Limited
7. Regenesis Project Management Company Private Limited
8. I-Ven Kolte-Patil Projects (Pune) Private Limited
9. Kolte-Patil Real Estate Private Limited
10. KPA Developers Private Limited
11. Olive Realty Private Limited
12. Jasmine Hospitality Private Limited
13. Lilac Hospitality Private Limited
14. Oakwoods Hospitality Private Limited
15. Megaspace IT-SEZ Private Limited
16. Bellflower Properties Private Limited

The partnership firms which form part of our Promoter Group are as follows:

1. Kolte-Patil Homes (Firm)
2. Ankit Enterprises (Firm)
3. Kolte-Patil Enterprises (Firm)

Patil Developers Private Limited

Patil Developers Private Limited was incorporated under the laws of India on November 25, 1991. Its registered office is situated at 1st Floor, Shop No. 46, Type 4, V. V. Market (Golani Municipal Market), Jalgaon–425 001 (Maharashtra). It is engaged in the business of construction and real estate development.

Shareholding pattern

The equity shares of the company are not listed on any stock exchange. The shareholding pattern of Patil Developers Private Limited is as follows:

Sr. No.	Name of shareholder	No. of shares	Face Value	Percentage of Shareholding (%)
1.	Naresh Anirudha Patil	10233	10	20.47
2.	Rajesh Anirudha Patil	11780	10	23.56
3.	Sunita Rajesh Patil	4970	10	9.94
4.	Vandana Naresh Patil	4510	10	9.02
5.	Sunita Milind Kolte	6770	10	13.54
6.	Milind Digambar Kolte	11737	10	23.47
	Total	**50000**		**100**

Board of Directors

The board of directors of Patil Developers Private Limited comprises of:-

1. Mr. Naresh Patil
2. Mr. Rajesh Patil
3. Mr. Milind Kolte
4. Mrs. Sunita Kolte

Financial Performance

The audited financial results of Patil Developers Private Limited for the year ended March 2005, 2006 and 2007 are set forth below:

Particulars	For the Financial Year ended March		
	2005 (Rs.)	2006 (Rs.)	2007 (Rs.)
Total Income	Nil	Nil	99,300
Profit/ loss after taxation	(5,520)	(3922)	94,076
Equity Share Capital	500,000	500,000	500,000
Reserves (excluding revaluation reserve)	168,100	164,178	258,254
Net Worth	668,100	664,178	758,254
NAV per Share (Rs.)	13.36	13.28	15.17
EPS per Share (Rs.)	(0.11)	(0.078)	1.89

Sylvan Acres Realty Private Limited

Sylvan Acres Realty Private Limited was incorporated under the laws of India on October 27, 2005, with the object amongst other things to engage in the business of construction and real estate development. Its registered office is situated at City Point, Dhole Patil Road, Pune–411 001, Maharashtra.

Shareholding pattern

The equity shares of the company are not listed on any stock exchange. The share holding pattern of Sylvan Acres Realty Private limited is as follows:

Sr. No.	Name of Shareholders	No. of Shares	Face Value	Percentage of Shareholding(%)
1.	Mr. Rajesh Patil	1	100	0.001
2.	Mr. Milind Kolte	1	100	0.001
3.	Kolte-Patil Developers Limited	283998	100	85.00
4.	Miss Amoli Manish Doshi & Manish U. Doshi	10000	100	2.99
5.	Mr. Manish Umed Doshi & Mrs. Vandana M. Doshi	10000	100	2.99
6.	Mr. Umed B. Doshi & Mrs. Indu U. Doshi	10000	100	2.99
7.	Mrs. Indu Umed Doshi & Mr. Umed B. Doshi	10000	100	2.99
8.	Mrs. Vandana M. Doshi & Mr. Manish U Doshi	10000	100	2.99
	Total	**334,000**		**100**

Board of Directors:

The board of directors of Sylvan Acres Realty Private Limited comprises: -

1. Mr. Rajesh Patil
2. Mr. Milind Kolte

Financial Performance:

The company was incorporated on October 27, 2005. Hence, the audited accounts for the financial year ended March 31, 2006 and March 31, 2007 are set forth below:

Particulars	**For the Financial Year ended**	
	March 2006 (Rs.)	**March 2007 (Rs.)**
Total Income	Nil	Nil
Profit/ loss after taxation	Nil	(145,871)
Equity Share Capital	100,000	33,400,000
Reserves (excluding revaluation reserve)	Nil	Nil
Net Worth	Nil	33,254,129
NAV per Share (Rs.)	Nil	Nil
EPS per Share (Rs.)	Nil	(0.04)

I-Ven Townships (Pune) Private Limited

I-Ven Townships (Pune) Private Limited was incorporated under the laws of India on December 28, 2005 with the object amongst other things to engage in the business of acquiring properties for the purpose of construction and real estate development. Its registered office is situated at 10th Floor, Prestige Obelisk, No. 3, Kasturba Road, Bangalore–560 001, Karnataka.

Shareholding pattern

The equity shares of the company are not listed on any stock exchange. The shareholding pattern of I- Ven Townships (Pune) Private Limited is as follows:

Sr. No.	**Name of Shareholders**	**Equity Shares**			**0.0001% Preference Shares**		
		No. of shares	**Face value**	**% Holding**	**No. of shares**	**Face value**	**% Holding**
1.	Sylvan Acres Realty Pvt. Ltd.	50,00,000	10	50%	50,00,000	10	50%
2.	The Western India Trustee and Executor Co. Ltd., Trustee of India Advantage Fund- III	30,00,000	10	30%	30,00,000	10	30%
3.	The Western India Trustee and Executor Co. Ltd., Trustee of India Advantage Fund- IV	20,00,000	10	20%	20,00,000	10	20%
	Total	**10,000,000**		**100%**	**10,000,000**		**100%**

Board of Directors

The board of directors of I-Ven Townships (Pune) Private Limited comprises of:

1. Mr. Rajesh Patil
2. Mr. Milind Kolte
3. Mr. Sudarshan Bajoria
4. Mr. Parag Paranjpe

Financial Statement

The company was incorporated on December 28, 2005. Hence, the audited accounts for the financial years ended March 31, 2006 and March 31, 2007 are as follows:

Particulars	**For the Financial Year ended March 31**	
	2006 (Rs.)	**2007 (Rs.)**
Total Income	Nil	500,851
Profit/ loss after taxation	NIL	331,491
Equity Share Capital	100,000	2,00,000,000
Reserves (excluding revaluation reserve)	NIL	9,00,331,491
Net Worth	NIL	1,100,331,491
NAV per Share (Rs.)	NIL	NIL
EPS per Share (Rs.)	NIL	0.01

Yashowardhan Promoters & Developers Private Limited

Yashowardhan Promoters & Developers Private Limited was incorporated under the laws of India on September 6, 2005 with the object amongst other things to engage in the business of constructors, builders, designers, decorators, contractors and real estate developers. Its registered office is situated at S.No.44/A/1, Alandi Road, Dhanori, Pune–411 015, Maharashtra.

Shareholding pattern:

The equity shares of the company are not listed on any stock exchange. The share holding pattern of Yashowardhan Promoters and Developers Private Limited is as follows:

Sr. No.	**Name of shareholders**	**No. of shares**	**Face value per share (Rs.)**	**% of total holding**
1.	Mr. Rajesh Patil	1	10	0.02%
2.	Mr. Milind Digambar Kolte	1	10	0.02%
3.	Kolte-Patil Developers Limited	101,998	10	57.95%
4.	Mr. Harish Kumar Gurnani	50,000	10	28%
5.	Mr. Bhagwan T. Shivlani	24,000	10	14%
	Total	**176,000**		100%

Board of Directors:

The board of directors of Yashowardhan Promoters and Developers Private Limited comprises of:

1. Mr. Rajesh Patil
2. Mr. Milind Kolte
3. Mr. Harish Kumar Gurnani
4. Mr. Bhagvan Shivlani
5. Mrs. Sunita Kolte

Financial Statement:

The company was incorporated on September 6, 2005. Hence the audited accounts for the financial years ended March 31, 2006 and March 31, 2007 are as follows:

Particulars	**For the Financial Year ended March 31**	
	2006 (Rs.)	**2007 (Rs.)**
Total Income	Nil	Nil
Profit/ loss after taxation	Nil	Nil
Equity Share Capital	100,000	1,760,000
Reserves (excluding revaluation reserve)	Nil	Nil
Net Worth	100,000	1,760,000
NAV per Share (Rs.)	Nil	Nil
EPS per Share (Rs.)	Nil	Nil

Kolte-Patil Investment & Finance Private Limited

Kolte-Patil Investment and Finance Private Limited was incorporated under the laws of India on December 18, 2005 an investment company. Its registered office is situated at 2nd Floor, City Point, Dhole Patil Road, Pune-411 001, Maharashtra.

Shareholding pattern:

The equity shares of the company are not listed on any stock exchange. The share holding pattern of Kolte-Patil Investment and Finance Private Limited is as follows:

Sr. No.	**Name of shareholders**	**No. of shares**	**Face value per share (Rs.)**	**% of total holding**
1.	Rajesh Patil	100000	10,000,000	50%
2.	Milind Kolte	100000	10,000,000	50%
	Total	**200000**	20,000,000	100%

Board of Directors

The board of directors of Kolte-Patil Investments & Finance Private Limited comprises of:

1. Mr. Rajesh Patil
2. Mr. Milind Kolte

Financial Statement:

The company is yet to start its business; hence, no audited information on its financial performance is available.

Corolla Realty Private Limited

Corolla Realty Private Limited was incorporated under the laws of India on January 13, 2006. Its registered office is situated at City Point, Dhole Patil Road, Pune–411 001, Maharashtra with the object amongst other things to engage in the business of construction and acquisition of land for development purposes.

Shareholding Pattern:

The equity shares of the company are not listed on any stock exchange. The share holding pattern of Corolla Private Limited is as follows:

Sr. No.	Name of Shareholder	No. of Shares	Amount (Rs.)	% Holding
I	**Equity shares**			
1.	Kolte-Patil Developers Limited	185,000	1,850,000	37%
2.	The Western India Trustee and Executor Co. Ltd. Trustee of India Advantage Fund- III	185,000	1,850,000	37%
3.	Ishwarchand Kishorilal Goyal	130,000	1,300,000	26%
		500,000	**5,000,000**	**100%**
II	**0.0001% Redeemable Preference Shares**			
	Kolte-Patil Developers Limited	55,500	555,000	18.50%
	The Western India Trustee and Executor Co. Ltd. Trustee of India Advantage Fund- III	166,500	1,665,000	55.50%
	Ishwarchand Kishorilal Goyal	78,000	780,000	26%
		300,000	**3,000,000**	**100%**

Board of Directors:

The board of directors of Corolla Realty Private Limited comprises of**:**

1. Mr. Rajesh Patil
2. Mr. Milind Kolte
3. Mr. Parag Paranjpe
4. Mr. Sudarshan Bajoria
5. Mr. Ishwarchand Goyal

Financial Statement:

The Company was incorporated on January 13, 2006. Hence, the audited accounts for the financial year ended March 31, 2007 is as follows:

Particulars	For the Financial Year ended March 31
	2007(Rs.)
Total Income	Nil
Profit/ loss after taxation	Nil
Equity Share Capital	8,000,000
Reserves (excluding revaluation reserve)	260,449,700
Net Worth	268,449,700
NAV per Share (Rs.)	Nil
EPS per Share (Rs.)	Nil

Regenesis Project Management Company Private Limited

Regenesis Project Management Company Private Limited was incorporated under the laws of India on August 29, 2005 with the object amongst other things to engage in the business of construction, project management to provide project related services and real estate development. Its registered office is situated at City Point, Dhole Patil Road, Pune–411 001, Maharashtra.

Shareholding pattern:

The equity shares of the company are not listed on any stock exchange. The share holding pattern of Regenesis Project Management Company Private Limited is as follows:

Sr. No.	Name of Shareholder	No. of Shares	Amount (Rs.)	% Holding
	Kolte-Patil Developers Limited	500,000	50,000,000	100
	Total	**500,000**	**50,000,000**	**100**

Board of Directors:

The board of directors of Regenesis Project Management Company Private Limited comprises of:

1. Mr. Rajesh Patil
2. Mr. Milind Kolte

Financial Statement:

The audited accounts for the financial year ended March 31, 2006 and March 2007 are as follows:

Particulars	For the Financial Year ended March 31	
	2006 (Rs.)	**2007 (Rs.)**
Total Income	15,876,760	49,002,644
Profit/ loss after taxation	433,774	658,696
Equity Share Capital	100,000	50,000,000
Reserves (excluding revaluation reserve)	433,774	1,092,470
Net Worth	533,774	51,092,470
NAV per Share (Rs.)	93.28	
EPS per Share (Rs.)	433.77	658.70

I-Ven Kolte-Patil Projects (Pune) Private Limited

I- Ven Kolte-Patil Projects (Pune) Private Limited was incorporated under the laws of India on September 21, 2006 with the object amongst other things to engage in the business of construction and real estate development. Its registered office is situated at City Point, Dhole Patil Road, Pune, Maharashtra.

Shareholding pattern:

The equity shares of I-Ven Kolte-Patil Projects (Pune) Private Limited are not listed on any stock exchange. The shareholding pattern of I-Ven Kolte-Patil Projects (Pune) Private Limited is as follows:

Sr. No.	Name of Shareholders	No. of Shares	Amount (Rs.)	% Holding
1.	Kolte-Patil Developers Limited	51,000	5,100,000	51%
2.	The Western India Trustee and Executor Co. Ltd. Trustee of India Advantage Fund- III	49,000	4,900,000	49%
	Total	**100,000**	**10,000,000**	**100%**

Board of Directors:

The board of directors of I-Ven Kolte-Patil Projects (Pune) Private Limited comprises of:

1. Mr. Rajesh Patil.
2. Mr. Milind Kolte
3. Mr. Parag Paranjpe
4. Mr. Sudarshan Bajoria

Financial Statement:

The audited accounts for the financial year ended March 31, 2007 is as follows:

Particulars	**For the Financial Year ended**
	March 2007 (Rs.)
Total Income	Nil
Profit/ loss after taxation	Nil
Equity Share Capital	1,00,00,000
Reserves (excluding revaluation reserve)	Nil
Net Worth	Nil
NAV per Share (Rs.)	Nil
EPS per Share (Rs.)	Nil

Kolte-Patil Real Estate Private Limited

Kolte-Patil Real Estate Private Limited was incorporated under the laws of India on November 7, 2006 with the object amongst other things to engage in the business of construction and real estate development. Its registered office is situated at 2nd Floor, City Point, Dhole Patil Road, Pune–411 001 (Maharashtra).

Shareholding pattern:

The equity shares of the company are not listed on any stock exchange. The share holding pattern of Kolte-Patil Real Estate Private Limited is as follows:

Sr. No.	**Name of Shareholders**	**No. of shares**	**Amount (Rs.)**	**% Holding**
1.	Mr. Milind Kolte	9,470	94,700	50.01%
2.	Mr. Rajesh Patil	9,469	94,690	49.99%
	Total	**18,939**	**189,390**	***100%**

*The beneficial interest of the equity shares held by Mr. Rajesh Patil and Mr. Milind Kolte as above is fully transferred to KPDL. The Company has received prescribed declarations U/s 187(C) and Forms are duly filed with the RoC.

Board of Directors:

The board of directors of Kolte-Patil Real Estate Private Limited comprises of:

1. Mr. Rajesh Patil.
2. Mr. Milind Kolte

Financial Statement:

The audited accounts for the financial year ended March 31, 2007 is as follows:

Particulars	For the Financial Year ended March 31
	2007 (Rs.)
Total Income	Nil
Profit/ loss after taxation	Nil
Equity Share Capital	189,390
Reserves (excluding revaluation reserve)	Nil
Net Worth	Nil
NAV per Share (Rs.)	Nil
EPS per Share (Rs.)	Nil

KPA Developers Private Limited

KPA Developers Private Limited was incorporated under the laws of India on November 13, 2006 with the object amongst other things to engage in the business of construction and real estate development. Its registered office is situated at 2nd Floor, City Point, Dhole Patil Road, Pune (Maharashtra).

Shareholding pattern:

The equity shares of the company are not listed on any stock exchange. The share holding pattern of KPA Developers Private Limited is as follows:

Sr. No.	Name of Shareholders	No. of shares	Amount	% Holding
1.	Mr. Milind Kolte	9,476	94,760	50%
2.	Mr. Rajesh Patil	9,476	94,760	50%
	Total	**18,952**	**189,520**	100%

Board of Directors:

The board of directors of KPA Developers Private Limited comprises of:

1. Mr. Rajesh Patil
2. Mr. Milind Kolte
3. Mr. Vijay Advani
4. Mr. Anil Advani

Financial Statement:

The audited accounts for the financial year ended March 31, 2007 is as follows:

Particulars	**For the Financial Year ended March 31**
	2007 (Rs.)
Total Income	Nil
Profit/ loss after taxation	Nil
Equity Share Capital	100,000
Reserves (excluding revaluation reserve)	Nil
Net Worth	Nil
NAV per Share (Rs.)	Nil
EPS per Share (Rs.)	Nil

Olive Realty Private Limited

Olive Realty Private Limited was incorporated under the laws of India on January 15, 2007. Its registered office is situated at 2nd Floor City Point, Dhole Patil Road, Pune–411 001 with the object amongst other things to engage in the business of construction and acquisition of land for development purposes.

Shareholding pattern:

The equity shares of the company are not listed on any stock exchange. The share holding pattern of Olive Realty Private Limited is as follows:

Sr. No.	**Name of Shareholder**	**No. of Shares**	**Amount (Rs.)**	**% Holding**
1.	Mr. Rajesh Patil	9476	94760	50%
2.	Mr. Milind Kolte	9476	94760	50%
	Total	**18952**	**189,520**	**100%**

The board of directors of Olive Realty Private Limited comprises of**:**

1. Mr. Rajesh Patil
2. Mr. Milind Kolte

Financial Statement:

The company is yet to start its business; hence, no audited information on its financial performance is available.

Jasmine Hospitality Private Limited

Jasmine Hospitality Private Limited was incorporated under the laws of India on July 23, 2007. Its registered office is situated at 2nd Floor, City Point, Dhole Patil Road, Pune–411001 (Maharashtra). It is engaged in the business of establishing and managing various types of hospitality services.

Shareholding pattern

The equity shares of Jasmine Hospitality Private Limited are not listed on any stock exchange. The shareholding pattern of Jasmine Hospitality Private Limited is as follows:

Sr. No.	Name of Shareholder	No. of Shares	Face Value	Percentage of Shareholding (%)
1.	Mr. Rajesh Patil	6,420	10	33.74
2.	Mrs. Sunita Kolte	6,300	10	33.13
3.	Ms. Ankita Patil	6,300	10	33.13
	Total	**19,020**		**100**

Board of Directors

The board of directors of Jasmine Hospitality Private Limited comprises of:-

1. Mr. Rajesh Patil
2. Mr. Ankita Patil
3. Mrs. Sunita Kolte

Financial Performance

Jasmine Hospitality Private Limited was incorporated on July 23, 2007. Hence, no audited information on its performance is available.

Lilac Hospitality Private Limited

Lilac Hospitality Private Limited was incorporated under the laws of India on July 3, 2007. Its registered office is situated at 2nd Floor, City Point, Dhole Patil Road, Pune–411 001 (Maharashtra). It is engaged in the business of establishing and managing various types of hospitality services.

Shareholding pattern

The equity shares of Lilac Hospitality Private Limited are not listed on any stock exchange. The shareholding pattern of Lilac Hospitality Private Limited is as follows:

Sr. No.	Name of Shareholder	No. of Shares	Face Value	Percentage of Shareholding (%)
1.	Mr. Rajesh Patil	6,420	10	33.74
2.	Mrs. Sunita Kolte	6,300	10	33.13
3.	Ms. Ankita Patil	6,300	10	33.13
	Total	**19,020**		**100**

Board of Directors

The board of directors of Lilac Hospitality Private Limited comprises of:-

1. Mr. Rajesh Patil
2. Ms. Ankita Patil
3. Mrs. Sunita Kolte

Financial Performance

Lilac Hospitality Private Limited was incorporated on July 3, 2007. Hence, no audited information on its performance is available.

Oakwoods Hospitality Private Limited

Oakwoods Hospitality Private Limited was incorporated under the laws of India on July 14, 2007. Its registered office is situated at 2nd Floor, City Point, Dhole Patil Road, Pune–411001 (Maharashtra). It is engaged in the business of establishing and managing various types of hospitality services.

Shareholding pattern

The equity shares of Oakwoods Hospitality Private Limited are not listed on any stock exchange. The shareholding pattern of Oakwoods Hospitality Private Limited is as follows:

Sr. No.	Name of Shareholder	No. of Shares	Face Value	Percentage of Shareholding (%)
1.	Mr. Rajesh Patil	9,510	10	50
2.	Mr. Milind Kolte	9,510	10	50
	Total	**19,020**		**100**

Board of Directors

The board of directors of Oakwoods Hospitality Private Limited comprises of:-

1. Mr. Rajesh Patil
2. Mr. Milind Kolte

Financial Performance

Oakwoods Hospitality Private Limited was incorporated on June 14, 2007. Hence, no audited information on its performance is available.

Megaspace IT-SEZ Private Limited

Megaspace IT-SEZ Private Limited was incorporated under the laws of India on July 6, 2007. Its registered office is situated at 2nd Floor, City Point, Dhole Patil Road, Pune–411001 (Maharashtra). It is engaged in the business of establishing and developing intrastructure projects in special economic zones.

Shareholding pattern

The equity shares of Megaspace IT-SEZ Private Limited are not listed on any stock exchange. The shareholding pattern of Megaspace IT-SEZ Private Limited is as follows:

Sr. No.	Name of Shareholder	No. of Shares	Face Value	Percentage of Shareholding (%)
1.	Mr. Rajesh Patil	9,476	10	50
2.	Mr. Milind Kolte	9,476	10	50
	Total	**18,952**		**100**

Board of Directors

The board of directors of Megaspace IT-SEZ Private Limited comprises of:-

1. Mr. Rajesh Patil
2. Mr. Milind Kolte

Financial Performance

Megaspace IT-SEZ Private Limited was incorporated on July 6, 2007. Hence, no audited information on its performance is available.

Bellflower Properties Private Limited

Bellflower Properties Private Limited was incorporated under the laws of India on February 26, 2007. Its registered office is situated at 2nd Floor, City Point, Dhole Patil Road, Pune–411001 (Maharashtra). It is engaged in the business of planning and developing of commercial and residential projects.

Shareholding pattern

The equity shares of Bellflower Properties Private Limited are not listed on any stock exchange. The shareholding pattern of Bellflower Properties Private Limited is as follows:

Sr. No.	Name of Shareholder	No. of Shares	Amount (Rs.)	% Holding
1.	Mr. Rajesh Patil	9476	94760	50%
2.	Mr. Milind Kolte	9476	94760	50%
	Total	**18952**	**189,520**	**100%**

Board of Directors

The board of directors of Bellflower Properties Private Limited comprises of:-

1. Mr. Rajesh Patil
2. Mr. Milind Kolte

Financial Performance

Bellflower Properties Private Limited was incorporated on February 26, 2007. Hence, no audited information on its financial performance is available.

Partnership firms which form part of our Promoter Group

M/s Kolte-Patil Homes

M/s Kolte-Patil Homes is a partnership firm registered under a Deed of Partnership dated April 1, 2004. The principle place of business of the firm is located at 22/11, 1st Floor, Park West, Vittal Malya Road, Bangalore–560 001. The firm is engaged in the business of construction and real estate development.

Partners and profit sharing ratio

The following are the partners of M/s Kolte-Patil Homes and their profit sharing ratio:

Name of the Partners	Profit Sharing Ratio
Kolte-Patil Developers Ltd.	60.00%
Naresh Anirudha Patil	30.00%
Vandana Naresh Patil	10.00%
Total	**100%**

Financial Statement

The audited financial performance of M/s Kolte-Patil Homes is as follows:

Particulars	For the Financial Year ended March		
	2005	**2006**	**2007**
Total Income		Nil	Nil
Profit/ loss after taxation	Nil	Nil	Nil
Partners capital	(26,234,261)	(17,913,847)	(68,511,825)

M/s Ankit Enterprise

M/s Ankit Enterprise is a partnership registered by a deed of partnership dated October 1, 1998. The principle place of business of the firm is located at 613, Sethna Building, J.S.S. Road, opposite Parsi Agyari, Princess Street Circle, Mumbai – 400 002. The firm is engaged in the business of construction and real estate development.

Partners and profit sharing ratio

The following are the partners of M/s Ankit Enterprise and their profit sharing ratio:

Sr. No.	Name of the Partner	Profit Sharing Ratio
1.	Mr. Rajesh Patil	7.5%
2.	Mr. Naresh Patil	7.5%
3.	Mr. Milind Kolte	5%
4.	Mrs. Sunita Kolte	5%
5.	Kolte-Patil Developers Ltd.	75%
	Total	**100%**

Financial Statement

The audited financial performance of M/s Ankit Enterprise is as follows:

Particulars	For the Financial Year ended March 31		
	2005 (Rs.)	**2006 (Rs.)**	**2007 (Rs.)**
Total Income	27228560	26417941	33554525.51
Profit/ loss after taxation	27228560	26417194	33554525.51
Partners capital	5842296	34445504	3205889.17

M/s Kolte-Patil Enterprise

M/s Kolte-Patil Enterprise is a partnership firm registered under a Deed of Partnership dated September 10, 1998. The principle place of business of the firm is located at 1st Floor, Shop No 46, Type-4, V. V. Market (Golani Municipal Market), Jalgaon–425 001. The firm is engaged in the business of construction and real estate development.

Partners and profit sharing ratio

The following are the partners of M/s Kolte-Patil Enterprise and their profit sharing ratio:

Sr. No.	Name of the Partner	Profit Sharing Ratio
1.	Mr. Rajesh Patil	30%
2.	Mr. Naresh Patil	3%
3.	Mr. Milind Kolte	6%
4.	Mrs. Sunita Kolte	3%
5.	Mrs. Sunita Patil	30%
6.	Mrs. Vandana Patil	28%
	Total	**100%**

Financial Statement

The audited financial performance of M/s Kolte-Patil Enterprise is as follows:

Particulars	**For the Financial Year ended March 2007**		
	2005 (Rs.)	**2006 (Rs.)**	**2007 (Rs.)**
Total Income	193,500	(696,882)	4,582,198
Profit/ loss after taxation	124,082	(696,882)	3,186,352
Partners capital	(25,587,028)	(243,972,656)	51,497,655

None of our Promoter Group companies have been restricted from accessing the capital markets.

RELATED PARTY TRANSACTIONS

For related party transactions, please refer to the paragraph titled 'Related Party Transactions' under the section titled 'Financial Information of our Company' beginning on page 126 of this Red Herring Prospectus.

CURRENCY OF PRESENTATION

Our currency of presentation in this Red Herring Prospectus is Indian Rupees (Rs.) only else otherwise mentioned.

DIVIDEND POLICY

The declaration and payments of dividend on our equity shares will be recommended by our Board of Directors and approved by our shareholders, at their discretion, and will depend upon a number of factors, including but not limited to our profits, capital requirements and overall financial conditions. The dividend and dividend tax paid by our Company during the last five financial years is presented below:

SCHEDULE OF RATES OF DIVIDEND

The detail of dividends declared by the company is as under:

Rs.Millions

CLASS OF SHARES	FOR THE FINANCIAL YEAR ENDED					
	31st Mar 2002	**31st Mar 2003**	**31st Mar 2004**	**31st Mar 2005**	**31st Mar 2006**	**31st Mar 2007**
EQUITY SHARE CAPITAL FOR DIVIDEND	54.76	54.76	54.76	54.76	54.76	562.50
INTERIM DIVIDEND %	0	0	0	0		10%
FINAL DIVIDEND %	0	0	0	0	5%	5%
INTERIM DIVIDEND (AMOUNT)	0.00	0.00	0.00	0.00		5.48
FINAL DIVIDEND (AMOUNT)	0.00	0.00	0.00	0.00	2.74	10.59
TOTAL DIVIDEND	0.00	0.00	0.00	0.00	2.74	16.07
DIVIDEND TAX PAID	0.00	0.00	0.00	0.00	0.38	2.26

The amount paid as dividends in the past are not necessarily indicative of our dividend policy or dividend amounts, if any, in the future.

SECTION V: FINANCIAL STATEMENTS

AUDITORS' REPORT

To

The Board of Directors,
Kolte-Patil Developers Limited,
Pune

Dear Sirs,

We have examined the financial information of Kolte-Patil Developers Limited (the company) annexed to this report for the purpose of inclusion in the Red Herring Prospectus ('the RHP'). The said financial information has been prepared in accordance with the requirements of paragraph B (1) of part II of Schedule II to the Companies Act, 1956 ('the Act'), the Securities and Exchange Board of India ("SEBI")- Disclosure and Investors Protection Guidelines, 2000 ('the guidelines'), as amended vide notification SEBI/CFD/DIL/DIP/14/2005/25/1 dated January 25, 2005 issued by the Securities and Exchange Board of India in pursuance of section 11 of the Securities and Exchange Board of India Act,1992; and related clarification; and in accordance with the terms of reference received from the Company requesting us to carry out work in connection with the offer document being issued by the Company in connection with its Proposed Initial Public Offer ('IPO') of equity Shares. The financial information has been prepared by the company and approved by the Board of Directors.

A. Financial Information as per Audited Financial Statements:

We have examined the attached 'Restated Summary Statement of Assets and Liabilities' of the Company as at 30th June 2007, 30th June 2006, 31st March, 2007, 2006, 2005, 2004 and 2003 (Annexure I) and the attached 'Restated Summary Statement of Profits and Losses' (Annexure II) and the attached 'Restated Statement of Cash Flows' (Annexure III) for the period ended 30th June 2007, 30th June 2006 and each of the years ended 31st March, 2007, 2006, 2005, 2004 and 2003 together referred to as 'Restated Summary Statements'. These Summary Statement have been extracted from the financial statements of the year ended 31st March, 2003 audited by V.J. Gujrathi & Co, Chartered Accountants, Pune being the auditors of the Company for those years, and have been adopted by the Board of Directors/Members for those respective years. The financial statements for the period ended 30th June 2007, 30th June 2006, and for the year ended 31st March 2007, 31st March 2006, 31st March 2005 and 31st March 2004 have been adopted by the Board of Directors and audited by us. Based on our examination of these summary statements, we state that:

i. The Restated Summary Statements have to be read in conjunction with the notes given in Annexure IV to this report.

ii. The Restated Summary Statements of the Company have been restated with retrospective effect to reflect the significant accounting policies being adopted by the Company as at 30th June 2007, stated in notes forming the part of the restated Summary Statements vide Annexure IV of to this report.

iii. The restated profits have been arrived at after charging all expenses including depreciation and after making such adjustments and regrouping as in our opinion are appropriate in the year/period to which they are related as described in Para 3 of the Notes Forming Parts of the Restated Summary Statements appearing in Annexure IV.

B. Other Financial Information:

We have examined the following information in respect for the period ended 30th June 2007, 30th June 2006 and each of the years ended 31st March, 2007, 2006, 2005, 2004 and 2003 of the Company, proposed to be included in the RHP, as approved by the Board of Directors and annexed to this report:

i. Details of Secured and Unsecured Loans (Annexure-V)

ii. Details of Loans and Advances (Annexure-VI)

iii. Details of Sundry Debtors (Annexure-VII)

iv. Statement of Summary of Investments (Annexure-VIII)

v. Details of Current Liabilities and Provisions (Annexure-IX)

vi. Statements giving details of Other Income (Annexure-X)

vii. Details of Contingent Liabilities (Annexure-XI)

viii. Statements of Dividend paid (Annexure-XII)

ix. Summary of Accounting Ratios based on adjusted profits related to earnings per share, net assets value and return on net worth (Annexure-XIII)

x. Statement of Tax Shelters (Annexure-XIV)

xi. Capitalisation Statements of the Company as at 30th June, 2007 (Annexure- XV)

xii. Related Party Disclosures (Annexure-XVI)

xiii. Statement of Other Current assets (Annexure- XVII)

In our opinion, the 'Financial Information as per 'Audited Financial Statements' and 'Other Financial Information' mentioned above for the period ended 30th June 2007, 30th June 2006 and each of the years ended 31st March, 2007, 2006, 2005, 2004 and 2003 have been prepared in accordance with the Part II of schedule II of the Act and the Guidelines.

This report should not in any way be constructed as a reissuance or redating of any of the previous audit report by other firms of Chartered Accountants nor should this be construed as a new opinion on any of the financial statements referred to herein.

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

For S P C M & ASSOCIATES.
(Formerly known as Bora Kasat & Co.)

CA SUHAS P. BORA
Membership No. 039765

PLACE: PUNE
DATE: 29.09.2007

ANNEXURE - I

RESTATED SUMMARY STATEMENT OF ASSETS AND LIABILITIES

Rs./Millions

	FOR THE FINANCIAL YEAR ENDED					FOR THE PERIOD ENDED	
PARTICULARS	**31st Mar 2003**	**31st Mar 2004**	**31st Mar 2005**	**31st Mar 2006**	**31st Mar 2007**	**30th Jun 2006**	**30th Jun 2007**
Fixed Asset - A							
Gross Block	11.13	15.74	26.43	44.24	80.82	44.62	88.75
Less: Depreciation	4.43	5.75	7.82	11.17	15.89	12.19	17.44
Net Block - A	**6.70**	**9.99**	**18.61**	**33.07**	**64.93**	**32.43**	**71.31**
Investments - B	**0.04**	**6.76**	**27.52**	**329.40**	**1,886.16**	**646.82**	**1,900.13**
Deferred Tax Assets - C	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Current Assets	643.40	927.41	1,210.12	1,828.62	2,991.07	2,121.41	2,736.96
Sundry Debtors	7.48	6.89	6.55	4.29	11.96	18.35	112.17
Cash & Bank Balances	2.31	9.63	8.18	16.84	3.19	(3.33)	17.69
Loans & Advances	16.70	22.14	22.21	145.01	393.02	281.03	367.39
Total D	**669.89**	**966.07**	**1,247.06**	**1,994.76**	**3,399.24**	**2,417.46**	**3,234.21**
Total Assets (A+B+C+D)=E	**676.63**	**982.82**	**1,293.19**	**2,357.23**	**5,350.33**	**3,096.71**	**5,205.65**
Liabilities and Provisions							
Secured Loans	56.42	183.93	204.70	284.93	724.98	460.29	678.11
Unsecured Loans	0.39	14.00	24.00	433.62	135.00	672.06	134.91
Deferred Tax Liabilities	-	-	-	0.53	1.32	0.58	1.35
Current Liabilities	531.57	642.56	897.17	1,441.82	2,398.13	1,665.85	1,966.56
Provisions	1.26	6.21	6.92	11.03	288.41	22.23	284.83
Total F	**589.64**	**846.70**	**1,132.79**	**2,171.93**	**3,547.84**	**2,821.01**	**3,065.76**
Net Worth (E-F)	**86.99**	**136.12**	**160.40**	**185.30**	**1,802.49**	**275.70**	**2,139.89**
Net Worth Represented by							
Share Capital	54.76	54.76	54.76	54.76	562.50	54.76	562.50
Reserves & Surplus	32.30	81.39	105.64	130.54	1,244.13	220.94	1,581.27
Total	**87.06**	**136.15**	**160.40**	**185.30**	**1,806.63**	**275.70**	**2,143.77**
Less: Miscellaneous Expenditure (to the extent not written off or adjusted)	0.07	0.03	-	-	4.14	-	3.88
Net Worth	**86.99**	**136.12**	**160.40**	**185.30**	**1,802.49**	**275.70**	**2,139.89**

NOTES :-

1) The accompanying significant accounting policies and notes (Annexure IV) are an integral part of the accounts.

ANNEXURE – II

RESTATED SUMMARY STATEMENT OF PROFITS AND LOSSES

Rs.Millions

	FOR THE FINANCIAL YEAR ENDED					FOR THE PERIOD ENDED	
PARTICULARS	**31st Mar 2003**	**31st Mar 2004**	**31st Mar 2005**	**31st Mar 2006**	**31st Mar 2007**	**30th Jun 2006**	**30th Jun 2007**
INCOME							
Income From Operations	138.23	210.91	305.36	531.13	2,293.68	345.01	849.68
Other Income	18.97	33.66	21.62	19.89	221.30	14.52	39.21
Total	**157.20**	**244.58**	**326.98**	**551.02**	**2,514.98**	**359.53**	**888.89**
EXPENDITURE							
Cost of Construction/ Development	63.36	116.86	167.38	291.41	1,061.14	182.21	460.00
Personnel Expenses	44.39	47.72	82.95	139.36	157.99	26.29	29.14
Selling General and Administrative Expenses	14.58	21.58	30.63	59.13	170.56	44.03	43.04
Financial Expenses	8.43	7.02	14.41	24.99	39.25	5.82	12.38
Depreciation	1.13	1.31	2.07	3.35	4.72	1.03	1.55
Total	**131.89**	**194.49**	**297.44**	**518.24**	**1,433.66**	**259.38**	**546.11**
Adjusted Profit before Tax	**25.31**	**50.09**	**29.54**	**32.78**	**1,081.32**	**100.15**	**342.78**
Provision for taxation							
Income Tax	0.06	0.99	5.29	3.46	244.36	6.59	5.21
Deferred Tax				0.53	0.79	0.05	0.03
Fringe Benefit Tax				0.77	1.07	0.11	0.41
Adjusted Profit after Tax	**25.25**	**49.10**	**24.25**	**28.02**	**835.10**	**93.40**	**337.13**
Carry Forward Profit from Prev. Year	7.05	32.30	81.39	105.64	123.04	123.04	728.29
Add: Deferred Tax asset							
Add/less: Tax Adjustments					0.00	0.00	0.00
Add: Dividend received							
Total	**32.30**	**81.40**	**105.64**	**133.66**	**958.14**	**216.44**	**1,065.42**
APPROPRIATIONS							
Dividend				2.74	16.07	2.74	0.00
Dividend Tax				0.38	2.26	0.38	0.00
General Reserve				7.50	211.52	0.00	0.00
Profit carried forward to Balance Sheet	**32.30**	**81.40**	**105.64**	**123.04**	**728.29**	**213.32**	**1,065.42**
Total	**32.30**	**81.40**	**105.64**	**133.66**	**958.14**	**216.44**	**1,065.42**

NOTES :-

1) The accompanying significant accounting policies and notes (Annexure IV) are an integral part of the accounts.

ANNEXURE - III

RESTATED STATEMENT OF CASH FLOWS

Rs.Millions

	FOR THE FINANCIAL YEAR ENDED					FOR THE PERIOD ENDED	
PARTICULARS	**31st Mar 2003**	**31st Mar 2004**	**31st Mar 2005**	**31st Mar 2006**	**31st Mar 2007**	**30th Jun 2006**	**30th Jun 2007**
Cash flow from Operating activities							
Net profit before taxation and extraordinary items	25.31	50.08	29.54	32.78	1,081.32	100.15	342.78
Adjustments for :-							
Depreciation	0.91	1.32	2.07	3.35	4.72	1.03	1.55
Share of Profit in Firms	(18.97)	(31.55)	(20.43)	(29.72)	(25.17)	(14.51)	(38.76)
Dividend income	-	(0.04)	(0.04)	(0.01)	(3.11)	(0.01)	(0.45)
Interest expenses	8.43	7.02	14.41	24.99	39.25	5.82	12.38
Preliminary Expenses written off	0.03	0.03	0.03	-	1.04	-	0.26
Prior Period Adjustments	-	-	-	-	-	-	-
Tax on Dividend	-	-	-	-	-	-	-
Preliminary Expenses Incurred	-	-	-	-	(5.18)	-	-
Sundry Creditors written back	-	-	-	-	(0.72)	-	-
Capital Gain on sale of shares	-	-	-	-	(192.30)	-	-
Operating profit before working capital changes	**15.71**	**26.86**	**25.58**	**31.39**	**899.85**	**92.48**	**317.76**
Decrease/(Increase) in Debtors	(5.35)	0.59	0.34	2.26	(7.67)	(14.06)	(100.21)
Decrease/(Increase) in Inventories	17.82	(277.71)	(230.00)	(507.06)	(722.45)	(277.45)	37.93
Decrease/(Increase) in Other Current Assets	18.26	(11.74)	(52.77)	(234.25)	(688.01)	(151.36)	241.81
Increase/(Decrease) in Current Liabilities and Provisions	(3.24)	115.94	255.32	545.84	1,234.48	235.28	(435.12)
Cash generated from Operations	**43.20**	**(146.06)**	**(1.53)**	**(161.82)**	**716.20**	**(115.11)**	**62.18**
Income tax paid	0.06	0.99	5.29	0.53	(245.00)	(6.50)	(5.24)
Fringe Benefit Tax				0.77	(1.07)	(0.11)	(0.41)
Cash flow before extraordinary items	**43.14**	**(147.05)**	**(6.82)**	**(163.12)**	**470.13**	**(121.72)**	**56.53**

Rs.Millions

	FOR THE FINANCIAL YEAR ENDED					FOR THE PERIOD ENDED	
PARTICULARS	**31st Mar 2003**	**31st Mar 2004**	**31st Mar 2005**	**31st Mar 2006**	**31st Mar 2007**	**30th Jun 2006**	**30th Jun 2007**
Extraordinary items, if any							
Net cash from operating activities	**43.14**	**(147.05)**	**(6.82)**	**(163.12)**	**470.13**	**(121.72)**	**56.53**
Cash flows from Investing activities							
Decrease/(Increase) in fixed assets	0.89	(4.61)	(10.69)	(17.81)	(36.58)	(0.38)	(7.93)
Share of profit from Firms	18.97	31.56	20.42	29.72	15.97	14.48	38.76
Decrease/(Increase) in Investments	19.23	(6.72)	(20.76)	(301.88)	(1,556.76)	(317.42)	(13.97)
Dividend Received	-	0.04	0.04	0.01	3.11	0.01	0.45
Capital Gain on sale of shares					192.30	-	-
Sundry Creditors written back					0.72	-	-
Net cash from Investing activities	**39.09**	**20.27**	**(10.99)**	**(289.96)**	**(1,381.24)**	**(303.31)**	**17.31**
Cash flows from Financing activities							
Proceeds from issuance of share capital	-	-	-	-	813.61	-	-
Increase/(Decrease) in Secured Loans	(18.58)	127.51	20.77	80.23	440.05	175.36	(46.87)
Increase/(Decrease) in Unsecured Loans	(56.48)	13.61	10.00	409.62	(298.62)	238.44	(0.09)
Interest paid	(8.43)	(7.02)	(14.41)	(24.99)	(39.25)	(5.82)	(12.38)
Dividend paid	-	-	-	(2.74)	(16.07)	(2.74)	-
Tax on Dividend				(0.38)	(2.26)	(0.38)	-
Net cash used in financing activities	**(83.49)**	**134.10**	**16.36**	**461.74**	**897.46**	**404.86**	**(59.34)**
Net increase in cash & Cash equivalents	**(1.26)**	**7.32**	**(1.45)**	**8.66**	**(13.65)**	**(20.17)**	**14.50**
Cash and cash equivalents at the beginning of period	**3.57**	**2.31**	**9.63**	**8.18**	**16.84**	**16.84**	**3.19**
Cash and cash equivalents at end of period	**2.31**	**9.63**	**8.18**	**16.84**	**3.19**	**(3.33)**	**17.69**

ANNEXURE - IV

NOTES FORMING PART OF THE RESTATED SUMMARY STATEMENTS

1. Background

The Company was incorporated on 25th November 1991. The Company is primarily engaged in the business of promotion, construction, development of integrated townships, residential and commercial, multistoried buildings, flats, shopping malls, IT parks, Service Apartments etc.

2. Significant Accounting Policies

a. Basis of preparation of Financial Statement accounting

The financial statements have been prepared to comply with the requirements of the Companies Act, 1956, under the historical cost convention on the accrual basis of accounting and in accordance with the standards on accounting issued by the Institute of Chartered Accountants of India referred to in section 211(3C) of the Companies Act, 1956.

b. Use of estimates

The preparation of financial statements in conformity with Generally Accepted Accounting Policies requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statement and the reported accounts of revenues and expenses for the years presented.

c. Fixed Assets

i) The Gross Block of Fixed assets are stated in the Accounts at the purchase price of acquisition of such assets including any attributable cost of bringing the assets to its working condition for its intended use.

ii) Office premises located at Jalgaon has been taken on lease for a period of 50 years and reflected in Gross Block at Rs. 1.00 Lakh. The leasehold premises has been amortised @ 2% per annum on the basis of period of lease.

d. Depreciation

The Depreciation is provided on Straight Line Method at the rates prescribed in Schedule XIV of the Companies Act, 1956.

Cost of Leasehold rights is being amortised at the rate of 2% per annum considering the period of lease.

e. Revenue recognition:

i) Sale of flats

The Company has followed Project Completed Contract method of accounting. Under this method, Revenues and expenses on Long Term projects are recognized in the period in which the project is completed except the loss, which is recognized in the year of occurrence. Where the project is taken over a number of accounting periods, revenue earned in a given period is recognized on the basis of possession given to the purchaser. Amount received from the customers which does not qualify for revenue recognition under the project-completed method are accounted for as advance from customers.

Since the Company is engaged in the real estate development business, the Accounting Standard – 7 “Accounting for Construction Contracts” issued by The Institute of Chartered Accountants of India is not applicable to the Company.

ii) Share of profit in Partnership Firms/ Joint Venture

The share of profit from the firms, in which the Company is partner and the joint venture, is accounted for as per the final statement of accounts of the firm/ joint venture.

iii) Income from Investments

Interest on Fixed Deposits is accounted for on accrual basis, where as dividend from shares and mutual fund is accounted for on receipt basis.

f. Cost of construction/development

Cost of Construction/Development incurred is charged to the Profit & Loss Account proportionate to project area sold. Adjustments, if required, are made on completion of the respective projects.

g. Inventories

Inventory comprises property under construction (work-in-progress). Work-in-progress comprises cost of land, development rights, TDR, Construction and development cost, cost of materials, services and other overheads related to projects under construction.

h. Investments

Long- term investments are stated at cost after providing for any diminution in value, if such diminution is of permanent nature. Current investments are carried at lower of cost or market value. The determination of carrying amount of such investments is done on the basis of specific identification. Investments in integrated joint ventures are carried at cost net off adjustments for company's share in profits or losses as recognized.

i. Construction Sales

Construction Sales represents sales of Commercial, Residential and other units in respect of which terms and conditions of Agreements executed are complied with. The sale shown in Profit and Loss Account includes receipts from Business Center.

j. Accounting for joint ventures

Jointly controlled operations – The Company's share of revenues, expenses, assets and liabilities are included in the financial statements as Revenues, Expenses, Assets and Liabilities respectively.

Jointly controlled entities – The Company's investment in joint ventures is reflected as investment and accounted for in accordance with para (h) above.

k. Foreign currency transactions

Transactions in foreign currencies are recorded at the exchange rate prevailing on the date of transactions.

Sr. No.		**For the period Ended 30.06.07** (Rs. In Millions)	**Financial Year Ended 31.03.07** (Rs. In Millions)
1.	Expenditure incurred in foreign currency: Travelling (As certified by Management)	0.26 (2675 USD) (1450 POUND)	1.23 (27600 USD)
2.	Exhibition	NIL	NIL
3.	Receipts in Foreign Currency	NIL	NIL
4.	The Profit/Loss on exchange realization being small amount considered in Foreign Travel Expense Account	NIL	NIL

l. Taxation

Income Tax comprises Current Tax, Deferred Tax and Fringe Benefit Tax. The Deferred tax assets and liabilities are recognized for the future tax consequences of timing differences, subject to the consideration of prudence. Deferred tax assets and liabilities are measured using the tax rates enacted or substantively enacted by the Balance Sheet date.

m. Earnings per share

The Company reports basic and diluted earning per share in accordance with Accounting Standard (AS-20) "Earnings Per Share" issued by the Institute of Chartered Accountants of India on 'Earning Per Share'. Basic Earnings Per Share is computed by dividing the Net Profit or Loss for the attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. Diluted Earnings Per Share is computed by dividing the net Profit and Loss for the period by the weighted average number of equity shares outstanding during the period as adjusted for the effects of all diluted potential Equity Shares except where the results are anti-dilutive.

n. Provision for retirement benefits

Liability is provided for Retirement benefits of Provident fund, Gratuity in respect of Eligible Employees, contributions under the defined contributions scheme are charged to revenue. The liability in respect of defined benefit scheme like Gratuity is provided in the accounts on the basis of actuarial valuation as on 31st March 2007 and 30th June 2007. Since the impact of provision of gratuity is not material, adjustments for the same have not been made for the year ended March 31st, 2006, 2005, 2004 and 2003.

o. Borrowing cost

Borrowing costs are recognised as expenses in the period in which they are incurred and debited to Profit and Loss Account.

p. Provisions, Contingent Liabilities and Contingent Assets

As per Accounting Standard 29, Provisions, Contingent Liabilities and Contingent Assets (AS)-29, issued by the Institute of Chartered Accountants of India, the Company recognizes provisions only when it has a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation as and when a reliable estimate of the amount of the obligation can be made.

No provision is recognized for –

(i) Any possible obligation that arises from past events and the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company; or

(ii) Any present obligation that arises from past events but is not recognized because: –

- It is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
- A reliable estimate of the amount of obligation cannot be made.

Such obligations are recorded as Contingent Liabilities. These are assessed continually and only that part of the obligation for which an outflow of resources embodying economic benefits is probable, is provided for, except in the extremely rare circumstances where no reliable estimate can be made.

Contingent Assets are not recognized in the Financial Statements since this may result in the recognition of income that may never be realized.

q. Miscellaneous Expenses:

Miscellaneous Expenses are amortised over a period of five years.

r. Impairment of Assets:

As required by AS-28 “Impairment of Assets” issued by The Institute of Chartered Accountants of India, the Company has carried out the assessment of impairment of assets. There has been no impairment loss for the periods covered in the statement of Restated Assets and Liabilities.

s. Deferred tax:

Deferred tax is recognized, subject to the consideration of prudence in respect of deferred tax assets/liabilities, on timing differences between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent period.

3. Notes on adjustments for restated summary statements

The summary of adjustments on account of changes in accounting policies and its impact on profits and losses of the Company is as under:

RECONCILIATION OF PROFIT AS PER AUDITED FINANCIAL STATEMENT AND RESTATED FINANCIAL STATEMENT

Rs in Millions

	31st March 2003	**31st March 2004**	**31st March 2005**	**31st March 2006**	**31st March 2007**	**30th June 2006**	**30th June 2007**
Net profit before tax as per	6.06	17.91	7.60	35.07	1081.32	100.15	342.78
Audited Profit and Loss Account							
Add: Depreciation as per Audited Financial statements	1.41	1.89	3.55		4.72	1.03	1.55
Less: Depreciation as per Restated Financial Statements	1.13	1.31	2.07		-4.72	-1.03	-1.55
Add: Share of profit from Partnership firm	18.97	31.55	20.42				
Add: Dividend Received		0.04	0.04				
Less: Depreciation written Back				3.44			
Add: Taxes Debited to Profit and Loss Account				1.15			
Profit before tax as per Restated Financial Statements	**25.31**	**50.08**	**29.54**	**32.78**	**1081.32**	**100.15**	**342.78**
Less: Exempt Income	18.97	31.59	20.47	19.82	28.28	14.51	38.76
Less: Deduction U/Sec 80					332.40	65.91	288.15
Less: Set off of losses	6.05	13.14					
Add: Disallowance					5.31		0.49
Taxable Income as per Restated	0.29	5.35	9.07	12.96	725.95	19.73	16.36
Financial Statements							
Tax Rates	36.75%	35.88%	36.59%	33.66%	33.66%	33.66%	33.99%
Tax on profit as per restated Financial Statements (A)	0.11	1.92	3.32	4.36	244.36	6.64	5.56
Book Profit	6.06	17.91	7.60	35.07	1081.32	19.56	15.33
Tax payable on Book profit (B)	0.54	1.87	3.18	3.46	243.57	6.59	5.21
Deferred Tax Asset/(Liability)	**0.43**	**-0.04**	**-0.14**	**-0.90**	**-0.79**	**-0.05**	**-0.35**

The explanatory notes for these adjustments are discussed below:

a. Depreciation

1. The Company had upto the year ended as on 31st March 2005 provided Depreciation on Fixed Assets on Written Down Value Basis at the rates specified under The Income Tax Act, 1961. From the year ended as on 31st March, 2006, it has adopted the method to charge Depreciation on Straight Line Method basis at rates prescribed in Schedule XIV of the Companies Act, 1956.

2. As a result of Change in the method, depreciation amounting to Rs.3.44 Millions excessively provided in earlier years has been written back in the year 2006.

3. As a result, the revised depreciation and the differential amount of depreciation has been adjusted for the years ended 31st March 2005, 2004, and 2003.

b. Provision for current tax

The Restated Statement of Profit and Loss has been adjusted for respective years in respect of short/excess provision for income tax as compared to the tax payable as per income tax returns filed by the Company for these years.

c. Provision for deferred tax

The Accounting Standard AS-22 on "Accounting for Taxes on Income" issued by the Institute of Chartered Accountants of India became applicable to the Company with effect from the year ended 31st March 2003. The deferred tax asset/ liability has been recomputed to give effect to the adjustments as detailed above.

d. Material regroupings

The following balances have been regrouped in the Restated Statement of Assets & Liabilities and Restated Statement of Profit & Losses:

1. Balance due to M/s. Kolte-Patil Homes, a partnership concern, in which Company is a partner, has been considered as Current Liabilities in the Statement of Restated Assets and Liabilities for the period ended 30th June 2007, 30th June 2006, and for each year ended 31stMarch, 2007 and 2006.
2. Share of Profit from M/s. Ankit Enterprises, a partnership concern, in which the Company is a partner, has been considered under the head Other Income.
3. Income from Dividend has been considered under the head Other Income.
4. The opening and closing balances in the restated financial statements includes Cash in hand, Bank balances and Cheques in hand.
5. Loans and Advances and Other Current Assets have been regrouped, reclassified and rearranged wherever necessary.

e. Deferred tax assets/Liabilities

The Company adopted Accounting Standard 22 on 'Accounting for Taxes on income' issued by the Institute of Chartered Accountants of India from the year ended 31 March 2003, as it was applicable to the Company from that year. Deferred tax asset/liability has not been recognized for the year ended 31 March 2003, 2004 and 2005, since the impact of the same was not material.

4. Earnings per share

The earnings considered in ascertaining the Company's EPS comprises the profit available for shareholders, i.e. profit after tax and statutory/regulatory appropriations, as restated. The number of shares used in computing Basic EPS is the weighted average number of shares outstanding during the year.

Particulars	For the Financial year ended					For the Period Ended	
	31st March 2003	31st March 2004	31st March 2005	31st March 2006	31st March 2007	30th June 2006	30th June 2007
Net profit attributable to shareholders, as restated Rs./Millions	25.25	49.09	24.25	28.02	835.10	93.40	337.13
Weighted average number of equity shares No./Millions	27.38	27.38	27.38	27.38	36.40	27.38	56.25
Basic and diluted earnings per share – (Rs.)	0.92	1.79	0.89	1.02	22.95	3.41	5.99
Nominal value of equity shares – (Rs.)	10	10	10	10	10	10	10

Note:

The Earnings per share is calculated in accordance with Accounting Standard 20 "Earnings Per Share" issued by the Institute of Chartered Accountants of India in terms of para 24 of AS-20, the number of equity shares outstanding before the issue of bonus shares is adjusted for the change in the number of equity shares issued as bonus shares as if the shares were issued at the earliest reported period.

5. Deferred tax

a. Deferred tax assets and liabilities are being offset as they relate to taxes on income levied by the same governing taxation laws.

b. Break-up of deferred tax assets/liabilities in the statement of Restated Assets and Liabilities and deferred tax charge credit in the Restated Statement of Profits and Losses is as under:

Rs. Millions

Particulars	**For the Financial year ended**					**For the Period Ended**	
	31st March 2003	**31st March 2004**	**31st March 2005**	**31st March 2006**	**31st March 2007**	**30th June 2006**	**30th June 2007**
Profit before tax as per Restated Financial Statements	25.31	50.08	29.54	32.78	1081.32	100.15	342.78
Less: Exempt Income	18.97	31.59	20.47	19.82	28.28	14.51	38.76
Less: Deduction U/Sec 80					332.40	65.91	288.15
Add: Disallowances					5.31		0.49
Less: Set Off of losses	6.05	13.14					
Taxable Income as per Restated Financial Statements	0.29	5.35	9.07	12.96	725.95	19.73	16.36
Tax Rates	36.75%	35.88%	36.59%	33.66%	33.66%	33.66%	33.99%
Tax on profit as per restated Financial Statements (A)	0.11	1.92	3.32	4.36	244.36	6.64	5.56
Book Profit	6.06	17.91	7.60	35.07	1081.32	19.56	15.33
Tax payable on Book profit (B)	0.54	1.87	3.18	3.46	243.57	6.59	5.21
Deferred Tax Asset/(Liability)	**0.43**	**-0.04**	**-0.14**	**-0.90**	**-0.79**	**-0.05**	**-0.35**

The Company adopted Accounting Standard 22 on 'Accounting for Taxes on Income' issued by the Institute of Chartered Accountants of India from the year ended 31 March 2003, as it was applicable to the Company from that year. Deferred tax asset/liability has not been recognized for the year ended 31 March 2003, 2004 and 2005, since the impact of the same was not material.

6. Interest in Joint Venture

The Company's interest and share in the Joint Ventures in the jointly controlled entities are as follows: -

Green Olive Ventures: - The Company, by virtue of an Agreement has entered into a Joint Venture with Arista Developers Pvt. Ltd. by forming an Association of Persons named Green Olive Ventures. The Company has agreed to contribute an amount of 25 millions towards Initial Capital and further agreed to contribute further Capital as and when needed for Joint Venture. The company has contributed Rs. 34.92 millions up to 30th June 2007.

7. **Investments in Partnership Firms**

The Company's interest and share in the Partnership firm are as follows: -

Particulars	Ankit Enterprises		Kolte-Patil Homes	
	30th June, 07	30th June, 06	30th June, 07	30th June, 06
Share in Profit/Loss	75%	75%	60%	60%
Balance Outstanding (Rs./Million)	(332.33)	(181.70)	(51.15)	(42.44)
Share of Profit (Rs./Million)	10.61	14.51	28.15	—

8. **Segment information**

Accounting Standards Interpretation (ASI) 20 dated 14.02.2004 issued by the Accounting Standard Board by the Institute of Chartered Accountants of India on Accounting Standard-17, "Segment Reporting" clarifies that in case, by applying the definition of "Business Segment" and Geographical Segment" given in AS-17, it is concluded that there is neither more than one business segment nor more than one geographical segment, Segment information as per AS-17 is not to be required to be disclosed.

9. **CONTINGENT LIABILITIES:**

The company does not have any contingent liabilities as on 30th June December 2006 2007, except Income Tax outstanding demand pertaining to M/s. Ankit Enterprises in which the company is having 75% of share. Details of outstanding demand on account of Income Tax of the firm are as under.

Asst. Year	Amount	Pending Before
2001-2002	0.84	CIT (A)-II Pune
2003-2004	4.49	ITAT Mumbai
2004-2005	15.61	CIT (A) –II, Pune
	20.94	

The company's share in the liability is Rs.15.710 Millions.

10. **Operating Lease (Accounting Standard-19)**

a) Lease rent payable for office taken on lease is charged to revenue under the head depreciation.

b) The lease rentals are charged over the specified period of lease i.e. 50 years.

c) Cost of leasehold rights is being amortised @ 2% per annum considering the period of lease.

11. **Bonus issue:**

On 8th December 2006, the Company issued 21,902,252 bonus shares of Rs. 10 each ranking *pari passu* with the existing shares, in the ratio of 4 equity shares for every 1 share held, by capitalizing sum of Rs. 219,022,520 from General Reserve.

12. The Company has not made any provision for taxation in the final accounts in the year 2003, 2004 and 2005. The tax paid/ refund during the year is accounted for in the Profit & Loss Appropriation Account.

13. The restated statements do not have material impact on account of conversion of figures from Rupees to Millions.

ANNEXURE - V

A. SUMMARY OF SECURED LOANS

Rs.Millions

PARTICULARS OF LOAN	AMOUNT OUTSTANDING FOR THE FINANCIAL YEAR ENDED					FOR THE PERIOD ENDED	
	31st Mar 2003	31st Mar 2004	31st Mar 2005	31st Mar 2006	31st Mar 2007	30th Jun 2006	30th Jun 2007
CASH CREDIT	18.30	3.69	32.65	70.37	82.33	40.08	120.47
OVERDRAFT	-	-	36.07	17.54	100.50	0.16	45.21
TERM LOAN	37.32	177.65	129.21	185.80	528.96	408.56	501.15
VEHICLE LOAN	0.80	2.59	6.77	11.22	13.19	11.49	11.28
TOTAL	**56.42**	**183.93**	**204.70**	**284.93**	**724.98**	**460.29**	**678.11**

B. SUMMARY OF UNSECURED LOANS

Rs/Millions

FROM	AMOUNT OUTSTANDING FOR THE FINANCIAL YEAR ENDED					FOR THE PERIOD ENDED	
	31st Mar 2003	31st Mar 2004	31st Mar 2005	31st Mar 2006	31st Mar 2007	30th Jun 2006	30th Jun 2007
PERSONAL(OTHER THAN PROMOTERS)	-	-	-	-	-	-	-
PROMOTERS	-	-	-	329.62	131.00	668.06	131.00
CORPORATE BODIES	-	-	-	-	-	-	-
FROM CONCERN IN WHICH COMPANY INTERESTED	-	14.00	24.00	104.00	4.00	4.00	3.91
OTHERS	0.39	-	-	-	-	-	-
TOTAL	**0.39**	**14.00**	**24.00**	**433.62**	**135.00**	**672.06**	**134.91**

ANNEXURE - VI

RESTATED SCHEDULE OF LOANS AND ADVANCES

Rs. Millions

PARTICULARS	FOR THE FINANCIAL YEAR ENDED					FOR THE PERIOD ENDED	
	31st Mar 2003	31st Mar 2004	31st Mar 2005	31st Mar 2006	31st Mar 2007	30th Jun 2006	30th Jun 2007
A) ADVANCES RECEIVABLE IN CASH OR KIND OR FOR VALUE TO BE RECEIVED OUTSTANDING FOR A PERIOD EXCEEDING SIX MONTHS UNSECURED, CONSIDERED GOOD							
1) ADVANCE RECOVERABLE	16.24	21.67	21.65	28.96	165.68	15.12	135.02
TOTAL A	**16.24**	**21.67**	**21.65**	**28.96**	**165.68**	**15.12**	**135.02**

Rs. Millions

PARTICULARS		FOR THE FINANCIAL YEAR ENDED					FOR THE PERIOD ENDED	
		31st Mar 2003	31st Mar 2004	31st Mar 2005	31st Mar 2006	31st Mar 2007	30th Jun 2006	30th Jun 2007
B)	**OTHER LOANS AND ADVANCES UNSECURED, CONSIDERED GOOD**							
1)	ADVANCE RECOVERABLE	0.46	0.47	0.56	116.05	227.34	265.91	232.37
	TOTAL B	**0.46**	**0.47**	**0.56**	**116.05**	**227.34**	**265.91**	**232.37**
	TOTAL : (A+B)	**16.70**	**22.14**	**22.21**	**145.01**	**393.02**	**281.03**	**367.39**
	AMOUNTS DUE FROM RELATED PARTIES							
	LOAN TO SUBSIDIARIES	-	-	-	-	104.86	14.93	108.53
	KOLTE PATIL ENTERPRISES	9.29	9.29	9.29	9.29	9.29	9.29	9.29

ANNEXURE - VII

RESTATED SCHEDULE OF SUNDRY DEBTORS

Rs. Millions

	PARTICULARS	FOR THE FINANCIAL YEAR ENDED					FOR THE PERIOD ENDED	
		31st Mar 2003	31st Mar 2004	31st Mar 2005	31st Mar 2006	31st Mar 2007	30th Jun 2006	30th Jun 2007
A)	**DEBTS OUTSTANDING FOR A PERIOD EXCEEDING SIX MONTHS UNSECURED, CONSIDERED GOOD**	5.61	6.79	6.10	4.13	8.54	2.64	5.54
	TOTAL	**5.61**	**6.79**	**6.10**	**4.13**	**8.54**	**2.64**	**5.54**
B)	**OTHER DEBTS UNSECURED, CONSIDERED GOOD**	1.87	0.10	0.45	0.16	3.42	15.71	106.63
	TOTAL	**1.87**	**0.10**	**0.45**	**0.16**	**3.42**	**15.71**	**106.63**
	TOTAL : (A+B)	**7.48**	**6.89**	**6.55**	**4.29**	**11.96**	**18.35**	**112.17**
	AMOUNT DUE FROM RELATED PARTIES	NIL	NIL	NIL	NIL	NIL	NIL	NIL

ANNEXURE - VIII

Rs.Millions

RESTATED SCHEDULE OF INVESTMENTS

PARTICULARS	FOR THE FINANCIAL YEAR ENDED					FOR THE PERIOD ENDED	
	31st Mar 2003	31st Mar 2004	31st Mar 2005	31st Mar 2006	31st Mar 2007	30th Jun 2006	30th Jun 2007
EQUITY SHARES							
QUOTED							
Shares in Vijaya Bank Equity Shares of Rs.10/- each fully paid up (Market Value as on 30.06.07-Rs.49.80)		0.32	0.32	0.32	0.32	0.32	0.32
Sub- total	**0.00**	**0.32**	**0.32**	**0.32**	**0.32**	**0.32**	**0.32**
UNQUOTED							
Shares In Rupee Bank(*-Rs.500)	*0.00	*0.00	*0.00	*0.00	*0.00	*0.00	*0.00
Sylvan Acres Realty Pvt. Ltd.					28.40	9.90	28.40
Regenesis Project Management Company Pvt. Ltd. - Equity Shares					50.00	34.15	50.00
Yashowardhan Promoter & Dev P.L.					1.02	0.00	1.02
I-Ven Kolte Patil Dev Pune - Equity					5.10	0.00	5.10
Corolla Realty Pvt. Ltd. - Preference					0.55	0.00	0.55
Corolla Realty Pvt. Ltd. - Equity					94.87	0.00	94.87
Corolla Realty Pvt. Ltd. - Deb. App.					102.77	0.00	102.77
I-Ven Kolte Patil Project (Pune) Pvt. Ltd.-Debentures					315.00	0.00	315.00
OFC Debenture Application Money							
I-Ven Kolte Patil Project (Pune) Pvt Ltd.					7.97	0.00	8.03
Corolla Realty Pvt. Ltd.					16.37	0.00	16.40
Sylvan Acres Realty Pvt. Ltd.					649.49	0.00	649.49
Share Application in subsidiary Companies :							
Sylvan Acres Realty Pvt Ltd				297.08	0.00	517.19	0.00
Regenesis Project Management Company Pvt Ltd				31.44	0.00	3.20	0.00
Kolte Patil Real Estate Pvt Ltd.					256.33	0.00	260.87
Sub- total	**0.00**	**0.00**	**0.00**	**328.52**	**1,527.87**	**564.44**	**1,532.50**

PARTICULARS	FOR THE FINANCIAL YEAR ENDED					FOR THE PERIOD ENDED	
	31st Mar 2003	31st Mar 2004	31st Mar 2005	31st Mar 2006	31st Mar 2007	30th Jun 2006	30th Jun 2007
Capital in Partnership Firms & Joint Venture :							
Capital in Kolte Patil Homes		6.41	26.14	0.00	0.00	0.00	0.00
Capital in Ankit Enterprises	0.04	0.03	0.03	0.03	323.84	0.03	332.36
Green Olive Venture - Capital					34.10	31.50	34.92
Other Investments							
National Saving Certificates			0.03	0.03	0.03	0.03	0.03
Principal Mutual Fund			1.00	0.50	0.00	0.50	0.00
Prudential ICICI Liquid Plan					0.00	50.00	0.00
Sub- total	**0.04**	**6.44**	**27.20**	**0.56**	**357.97**	**82.06**	**367.31**
Total	**0.04**	**6.76**	**27.51**	**329.40**	**1,886.16**	**646.82**	**1,900.13**

ANNEXURE - IX

RESTATED SCHEDULE OF CURRENT LIABILITIES & PROVISIONS

Rs.Millions

PARTICULARS	FOR THE FINANCIAL YEAR ENDED					FOR THE PERIOD ENDED	
	31st Mar 2003	31st Mar 2004	31st Mar 2005	31st Mar 2006	31st Mar 2007	30th Jun 2006	30th Jun 2007
Current Liabilities							
Sundry Creditors	55.92	61.89	71.02	93.15	272.07	107.60	444.56
Advances From Customers	423.50	487.40	696.38	1,114.89	1,433.23	1,196.25	852.91
Other Liabilities	52.15	93.27	129.77	233.78	692.83	362.00	669.09
Total (A)	**531.57**	**642.56**	**897.17**	**1,441.82**	**2,398.13**	**1,665.85**	**1,966.56**
Provisions							
Income Tax and Service tax	-	-	-	3.46	243.96	6.70	250.74
T.D.S payable					3.35	2.56	3.56
Sundry Creditors (exp)	1.26	6.21	6.92	7.57	27.07	10.23	15.99
Gratuity payable					1.96	-	2.45
Dividend payable					10.60	2.74	10.60
Corporate dividend tax					1.49		1.49
Total (B)	**1.26**	**6.21**	**6.92**	**11.03**	**288.41**	**22.23**	**284.83**
Total (A+B)	**532.83**	**648.77**	**904.09**	**1,452.85**	**2,686.54**	**1,688.08**	**2,251.39**

ANNEXURE - X

SCHEDULE OF OTHER INCOME

Rs.Millions

	FOR THE FINANCIAL YEAR ENDED					FOR THE PERIOD ENDED	
	31st Mar 2003	**31st Mar 2004**	**31st Mar 2005**	**31st Mar 2006**	**31st Mar 2007**	**30th Jun 2006**	**30th Jun 2007**
SHORT TERM CAPITAL GAIN	-	0.06	0.05	0.07	-	-	-
COMPENSATION FOR SURRENDER OF RIGHT	-	-	0.13	-	-	-	-
EXPENSES WRITTEN OFF	-	-	0.23	-	-	-	-
PROFIT ON SALE OF PLOT	-	2.01	0.75	-	-	-	-
PROFIT FROM PARTNERSHIP FIRMS	18.97	31.55	20.42	19.81	25.17	14.51	38.76
SUNDRY CREDITORS WRITTEN BACK	-	-	-	-	0.72	-	-
DIVIDEND FROM MUTUAL FUND & SHARES	-	0.04	0.04	0.01	3.11	0.01	0.45
PROFIT ON SALE OF SHARES	-	-	-	-	192.30	-	-
TOTAL OF OTHER INCOME	**18.97**	**33.66**	**21.62**	**19.89**	**221.30**	**14.52**	**39.21**
NET PROFIT BEFORE TAX	25.31	50.09	29.54	32.78	1,081.32	100.15	342.78
% OF OTHER INCOME	74.95%	67.21%	73.19%	60.68%	20.47%	14.50%	11.44%

Notes:

a. In the year 31.03.04, profit on transfer of plot to Kolte Patil Enterprises, a concern in which Directors are interested has been disclosed under the head “Other Income”.

ANNEXURE - XI

SCHEDULE OF CONTINGENT LIABILITIES

Rs.Millions

	FOR THE FINANCIAL YEAR ENDED					FOR THE PERIOD ENDED	
PARTICULARS	**31st Mar 2003**	**31st Mar 2004**	**31st Mar 2005**	**31st Mar 2006**	**31st Mar 2007**	**30th Jun 2006**	**30th Jun 2007**
On account of Income Tax liability of M/s. Ankit Enterprises, in which The Company is partner	-	-	-	9.59	15.71	15.71	15.71
Claims against the Company not acknowledged as debts	-	-	-	-	-	-	-
Counter guarantees given to bank Corporate guarantee	-	-	-	-	-	-	-
Total	**-**	**-**	**-**	**9.59**	**15.71**	**15.71**	**15.71**

ANNEXURE - XII

SCHEDULE OF RATES OF DIVIDEND

The detail of dividends declared by the company is as under:

Rs.Millions

CLASS OF SHARES	FOR THE FINANCIAL YEAR ENDED					FOR THE PERIOD ENDED	
	31st Mar 2003	**31st Mar 2004**	**31st Mar 2005**	**31st Mar 2006**	**31st Mar 2007**	**30th Jun 2006**	**30th Jun 2007**
EQUITY SHARE CAPITAL FOR DIVIDEND	54.76	54.76	54.76	54.76	562.50	54.76	562.50
INTERIM DIVIDEND %	-	-	-		10.00%	5%	-
FINAL DIVIDEND %	-	-	-	5.00%	5.00%	0.00%	-
INTERIM DIVIDEND (AMOUNT)	-	-	-		5.48	2.74	-
FINAL DIVIDEND (AMOUNT)	-	-	-	2.74	10.59	-	-
TOTAL DIVIDEND	-	-	-	2.74	16.07	2.74	-
DIVIDEND TAX PAID	-	-	-	0.38	2.26	0.38	-

ANNEXURE – XIII

SUMMARY OF ACCOUNTING RATIOS

Sr. No	Particulars	FOR THE FINANCIAL YEAR ENDED					FOR THE PERIOD ENDED	
		31st Mar 2003	31st Mar 2004	31st Mar 2005	31st Mar 2006	31st Mar 2007	30th Jun 2006	30th Jun 2007
1.	Adjusted Profit to Income from Operations (%)	18.31	23.74	9.67	6.17	47.14	29.03	40.34
2.	Earnings Per Share- Basic and diluted (Rs.)	0.92	1.79	0.89	1.02	22.95	3.41	5.99
3.	Cash Earnings per Share	0.96	1.84	0.96	1.14	23.07	3.45	6.02
4.	Net Asset Value per share (Rs.)	3.18	4.97	5.86	6.76	49.53	10.07	38.04
5.	Return on Net Worth (%)	29.03	36.06	15.12	15.12	46.33	33.88	15.75
6.	No. of Equity Shares (Basic)	5,475,563	5,475,563	5,475,563	5,475,563	56,250,000	5,475,563	56,250,000
7.	Restated Weighted No. of Equity Shares	27,377,815	27,377,815	27,377,815	27,377,815	36,395,429	27,377,815	56,250,000

Notes:

1. **The ratios have been computed as below**

Adjusted profit to income from Operations (%) = $\dfrac{\text{Adjusted profit before tax}}{\text{Income from operations}}$

Earnings Per Share (Rs.) = $\dfrac{\text{Adjusted Profit / (Loss) after tax but before extraordinary items}}{\text{Weighted average number of Equity shares outstanding during the year}}$

Cash Earnings per Share = $\dfrac{\text{Adjusted Profit after tax but before depreciation}}{\text{Weighted average number of Equity shares outstanding during the year}}$

Net Asset Value Per Share = $\dfrac{\text{Net Worth excluding revaluation reserve}}{\text{Weighted average number of Equity shares outstanding during the year}}$

Return on Net Worth (%) = $\dfrac{\text{Adjusted Profit / (Loss) after tax but before extraordinary items}}{\text{Net Worth excluding revaluation reserve}}$

2. Earnings per share is calculated in accordance with Accounting Standard 20 "Earnings Per Share" issued by the Institute of Chartered Accountants of India. In terms of Para 24 of AS 20, the number of equity shares outstanding before the issue of bonus shares is adjusted for the change in number of equity shares issued as bonus shares as if the shares were issued at the beginning of the earliest reported period.

3. The restated number of equity shares have also been adjusted to reflect the issue of 21,902,252 shares as bonus shares issued by capitalization of accumulated profit / reserves as approved by the Board in their meeting held on 08.12.2006.

4. Profit and Loss as restated has been considered for the purpose of computing the above ratios.

ANNEXURE – XIV

TAX SHELTER STATEMENT

Rs.Millions

PARTICULARS	FOR THE FINANCIAL YEAR ENDED					FOR THE PERIOD ENDED	
	31st Mar 2003	31st Mar 2004	31st Mar 2005	31st Mar 2006	31st Mar 2007	30th Jun 2006	30th Jun 2007
Profit before tax as restated (A)	25.31	50.08	29.54	32.78	1,081.32	100.15	342.78
Tax rate	36.75%	35.88%	36.59%	33.66%	33.66%	33.66%	33.99%
Tax as per actual rate on profits	9.30	17.97	10.81	11.03	363.97	33.71	116.51
Adjustments							
Permanent Differences							
Dividend (exempt from tax)		0.04	0.04	0.01	3.11	0.01	0.45
Share of Profit from Partnership Firms U/s.10(2A)	18.97	31.55	20.43	19.81	25.17	14.51	38.76
Donation disallowed		(0.05)			(3.35)	-	-
Gratuity					(1.96)	-	-
Expenses for proposed public issue						-	-
Prior-period items						-	-
Deductions U/Sec 80					332.40	65.91	288.15
Fringe Benefit Tax							
Tax on Dividend							
Total Permanent Differences (B)	**18.97**	**31.54**	**20.47**	**19.82**	**355.37**	**80.43**	**327.36**
Timing Differences							
Difference between tax depreciation and book depreciation	0.28	0.58	1.48	1.58	2.34	0.15	0.58
Disallowance U/s.43b							(0.49)
Loss/Profit on sale of fixed asset							
Disallowance U/s.40a(ia)			(1.10)	1.10			
Set off of B/f. of losses	6.05	13.14					
Total Timing Differences (C)	6.33	13.72	0.38	2.68	2.34	0.15	0.09
Total Adjustments (B+C)	**25.30**	**45.26**	**20.85**	**22.50**	**357.71**	**80.58**	**327.45**
Tax Expense/(Saving) thereon	**9.30**	**16.24**	**7.63**	**7.57**	**120.41**	**27.12**	**111.30**
Tax Payable for the year	0.00	1.73	3.18	3.46	243.57	6.59	5.21
Tax U/s.115JB	0.48	-	-	-	-	-	-
Interest u/s 234B & 234C (As per Income tax return)	0.06	0.15	-	-	-	-	-
Total Tax payable	0.54	1.87	3.18	3.46	243.57	6.59	5.21

ANNEXURE – XV

CAPITALISATION STATEMENT OF THE COMPANY

Rs/Millions

Particulars	**Pre-issue as at June 30th, 2007**	**Post-issue as at June 30th, 2007**
Total Debts		Will be determined after finalisation of issue price
Short Term Debt		
- Term loans	11.28	
- Working capital loans	165.68	
Long Term Debt	501.15	
Total Debt – A	**678.11**	
Shareholders Fund		
Share Capital	562.50	
General Reserves	0.00	
Share Premium	524.90	
Profit and Loss Account	1,065.42	
Total Shareholders' funds – B	**2,152.82**	
Long term debt/Total shareholders' funds	**0.23**	

Notes:

1. The above have been computed on the basis of restated statement of accounts.
2. Short-term debts are debts maturing within the next one year from the date of the respective statement of accounts.
3. The above ratio has been computed on the basis of total long-term debt divided by shareholder's funds.

ANNEXURE - XVI

RELATED PARTY TRANSACTIONS

A. LIST OF RELATED PARTIES

i) Concerns in which company is partner:

1. Ankit Enterprises
2. Kolte Patil Homes

ii) Concerns in which Key Management Personnel or their relatives, exercise significant influence

Name Of The Concern

1. Patil Developers Pvt Ltd
2. Yashowardhan Promoters & Developers Pvt Ltd.
3. Regenesis Project Management Company Pvt Ltd.
4. Sylan Acres Reality Pvt Ltd
5. I-Ven Township (Pune) Pvt Ltd.
6. Kolte Patil Developers & Finance Pvt Ltd
7. Corolla Realty Pvt Ltd.
8. I-Ven Kolte Patil Projects (Pune) Pvt Ltd.
9. Kolte Patil Real Estate Pvt Ltd
10. Kolte Patil Enterprises
11. PA Developers Pvt. Ltd.

iii) Key Management Personnel

1. Mr. Patil Rajesh Aniruddha
2. Mr. Kolte Milind Digambar
3. Mr. Patil Naresh Aniruddha

iv) Relatives of Key Management Personnel

1. Mrs. Sunita R. Patil
2. Mrs. Sunita M. Kolte
3. Ms. Ankita R. Patil
4. Mrs. Vandana N. Patil

v) Joint Ventures

1. Green Olive Ventures (AOP)

B. Balances outstanding/transactions with related parties:

Rs.Millions

Sr. No.	PARTICULARS	FOR THE FINANCIAL YEAR ENDED					FOR THE PERIOD ENDED	
		31st Mar 2003	31st Mar 2004	31st Mar 2005	31st Mar 2006	31st Mar 2007	30th Jun 2006	30th Jun 2007
A)	**KEY MANAGEMENT PERSONNEL AND SUBSIDIARIES**							
	Directors' Remuneration	0.41	0.41	0.77	0.72	10.46	2.62	6.12
	Interest Received -Yashowardhan Promoters & Dev. Pvt. Ltd.	-	-	-	-	4.70	0.11	2.34
	Rent received -Regenesis Project Mgmt. Co. Pvt. Ltd.	-	-	-	-	1.08	0.27	0.27
	Brokerage paid - Regenesis Project Mgmt. Co. Pvt. Ltd.	-	-	-	-	34.48	12.11	4.64
	Debenture Application Money - Corolla Realty Pvt Ltd.	-	-	-	-	16.37	-	16.40
	OFC Debentures - Corolla Realty Pvt Ltd.	-	-	-	-	102.77	-	102.77
	Sale of Plot - I-Ven Kolte Patil Projects Pvt. Ltd.	-	-	-	-	617.69	-	-
	Debenture Appl. Money - I-Ven Kolte Patil Projects Pvt. Ltd	-	-	-	-	7.97	-	8.03
	OFC Debentures in I-Ven Kolte Patil Projects Pvt. Ltd	-	-	-	-	315.00	-	315.00
	Debenture Application Money -Sylvan Acres Realty Pvt. Ltd.	-	-	-	-	649.49	-	649.49
	Plot Sale Advance Received -Kolte Patil Real Estate P. Ltd.	-	-	-	-	500.00	-	500.00
	Equity Share Appl. Money -Kolte Patil Real Estate P. Ltd.	-	-	-	-	256.33	-	260.87
	Corolla Realty Pvt Ltd. - Equity Shares	-	-	-	-	94.87	-	94.87
	Equity Share Appl. Money -Sylvan Acres Realty Pvt. Ltd.	-	-	-	-	-	527.09	-
	LOAN ACCEPTED FROM:							
	Mr. Rajesh Patil	-	-	-	91.17	152.56	132.92	-
	Mr. Naresh Patil	-	-	-	76.56	111.43	96.69	13.50
	Ms. Ankita Patil	-	-	-	62.90	163.14	127.63	-
	Mrs. Sunita R Patil	-	-	-	-	0.99	-	-
	Mrs. Vandana Patil	-	-	-	-	1.01	-	-

Sr. No	PARTICULARS	FOR THE FINANCIAL YEAR ENDED					FOR THE PERIOD ENDED	
		31st Mar 2003	31st Mar 2004	31st Mar 2005	31st Mar 2006	31st Mar 2007	30th Jun 2006	30th Jun 2007
	Mr. Milind Kolte	-	-	-	99.00	514.68	311.82	117.50
	Mrs. Sunita Kolte	-	-	-	-	0.81	-	-
	LOAN GIVEN TO:							
	Yashowardhan Promoters & Developers P Ltd.	-	-	-	-	119.66	14.50	16.70
	LOAN REPAID BY:							
	Yashowardhan Promoters & Developers P Ltd.	-	-	-	-	19.50	-	15.00
B)	**FIRMS IN WHICH COMPANY IS PARTNER**							
	ANKIT ENTERPRISES							
	Interest Paid on Loan	-	-	1.10	2.65	2.00	1.53	0.08
	Balance Outstanding in Capital Account	(25.67)	(50.75)	(72.10)	(107.37)	323.84	181.70	332.33
	Balance Outstanding in Loan Account	-	14.00	24.00	104.00	4.00	4.00	4.00
	KOLTE PATIL HOMES							
	Balance Outstanding in Capital Account	-	6.41	26.14	(16.96)	(72.93)	(42.44)	(51.15)
C)	**CONCERNS IN WHICH DIRECTORS ARE INTERESTED**							
	KOLTE PATIL ENTERPRISES							
	Balance Outstanding in Loan Account	9.29	9.29	9.29	9.29	9.29	9.29	9.29
D)	**JOINT VENTURES**							
	Green Olive Ventures	-	-	-	-	34.10	31.51	34.92
E)	**PREFERENCE SHARE CAPITAL:**							
	Corolla Realty Pvt Ltd.	-	-	-	-	0.56	-	0.56
F)	**EQUITY SHARES ACQUIRED IN SUBSIDIARY COMPANIES**							
	Yashowardhan Promoters & Developers Pvt. Ltd.	-	-	-	-	1.02	-	1.02
	Regenesis Project Management Company Pvt. Ltd.	-	-	-	-	50.00	37.75	50.00
	Sylvan Acres Realty Pvt. Ltd.	-	-	-	-	28.40	9.90	28.40
	I-Ven Kolte Patil Projects (Pune) Pvt. Ltd.	-	-	-	-	5.10	-	5.10

Sr. No.	PARTICULARS	FOR THE FINANCIAL YEAR ENDED					FOR THE PERIOD ENDED	
		31st Mar 2003	31st Mar 2004	31st Mar 2005	31st Mar 2006	31st Mar 2007	30th Jun 2006	30th Jun 2007
G)	**EQUITY SHARE CAPITAL HELD BY KEY MANAGEMENT PERSONNEL AND RELATIVES**							
	Mr. Rajesh Patil	-	-	-	-	152.56	14.41	154.86
	Mr. Naresh Patil	-	-	-	-	97.93	14.55	149.49
	Ms. Ankita Patil	-	-	-	-	163.14	-	0.01
	Mrs. Sunita R Patil	-	-	-	-	0.99	6.60	69.29
	Mrs. Vandana Patil	-	-	-	-	1.01	6.50	69.46
	Mr. Milind Kolte	-	-	-	-	397.18	6.10	64.42
	Mrs. Sunita Kolte	-	-	-	-	0.81	5.35	54.97
H)	**BALANCES OUTSTANDING**							
	Mr. Naresh Patil- Credit Balance	-	-	-	-	13.50	0.75	0.79
	Mr. Milind Kolte- Credit Balance	-	-	-	-	117.50	0.75	0.79
	Mr. Rajesh Patil- Credit Balance	-	-	-	-	-	0.75	0.79
	Mrs. Sunita Kolte- Credit Balance	-	-	-	-	-	0.37	1.16
	Yashowardhan Promoters & Developers Pvt. Ltd- Debit Bal	-	-	-	-	104.86	14.50	108.37
	Regenesis Project Management Company Pvt.Ltd - Credit Bal	-	-	-	-	15.07	10.75	13.19
	Kolte Patil Real Estate P. Ltd. - Debit Balance	-	-	-	-	500.00	-	500.00
	I-Ven Township (Pune) Pvt. Ltd. - Credit Balance	-	-	-	-	-	-	0.09
I)	**EXPENDITURE INCURRED ON BEHALF OF**							
	Regenesis Project Management Company Pvt. Ltd.	-	-	-	-	0.78	0.12	0.16
	Corolla Realty Pvt Ltd.	-	-	-	-	17.26	-	-
	I-Ven Township (Pune) Pvt. Ltd.	-	-	-	-	0.86	-	0.85
	I-Ven Kolte Patil Projects (Pune) Pvt. Ltd.	-	-	-	-	328.53	-	-
	Kolte Patil Homes	-	-	-	-	-	0.02	0.84
	Green Olive Ventures	-	-	-	-	-	-	0.02
	Yashowardhan Promoters & Developers Pvt. Ltd	-	-	-	-	-	-	0.09
J)	**EXPENDITURE REIMBURSED BY**							
	Regenesis Project Management Company Pvt. Ltd.	-	-	-	-	0.78	-	-
	Corolla Realty Pvt Ltd.	-	-	-	-	17.26	-	-
	I-Ven Township (Pune) Pvt. Ltd.	-	-	-	-	0.86	-	0.76
	I-Ven Kolte Patil Projects (Pune) Pvt. Ltd.	-	-	-	-	328.53	-	-
	Kolte Patil Homes	-	-	-	-	-	-	0.76
	Yashowardhan Promoters & Developers Pvt. Ltd	-	-	-	-	-	-	0.09

ANNEXURE - XVII

RESTATED SCHEDULE OF OTHER CURRENT ASSETS

Rs.Millions

PARTICULARS	FOR THE FINANCIAL YEAR ENDED					FOR THE PERIOD ENDED	
	31st Mar 2003	**31st Mar 2004**	**31st Mar 2005**	**31st Mar 2006**	**31st Mar 2007**	**30th Jun 2006**	**30th Jun 2007**
Stock in trade	638.06	915.76	1145.76	1652.82	2375.27	1930.27	2337.34
Prepaid Expenses	0.12	0.13	0.16	0.15	0.46	0.17	0.49
Purchase of FAR (Kolte Patil Enterprises)	1.95	1.95	1.95	1.95	1.95	1.95	1.95
Others Advances	0.19	0.22	11.00	97.82	220.02	99.78	243.01
Deposits	3.08	9.33	50.60	75.67	391.90	88.69	153.90
Accrued interest on fixed deposit	0.00	0.02	0.65	0.21	1.47	0.55	0.27
TOTAL	**643.40**	**927.41**	**1210.12**	**1828.62**	**2991.07**	**2121.41**	**2736.96**

AUDITORS' REPORT

To
The Board of Directors,
Kolte-Patil Developers Limited
Pune

Dear Sirs,

We have examined the consolidated financial information of Kolte-Patil Developers Limited (the Company) and its subsidiaries as on 30th June 2007, 30th June 2006 and 31st March 2007 and annexed to this report for the purpose of inclusion in the Red Herring Prospectus ('the RHP'). The said financial information has been prepared in accordance with the requirements of paragraph B (1) of part II of Schedule II to the Companies Act, 1956 ('the Act'), the Securities and Exchange Board of India ("SEBI") - Disclosure and Investors Protection Guidelines, 2000 ('the guidelines'), as amended vide notification SEBI/CFD/DIL/DIP/14/2005/25/1 dated January 25, 2005 issued by the Securities and Exchange Board of India in pursuance of section 11 of the Securities and Exchange Board of India Act,1992; and related clarification; and in accordance with the terms of reference received from the Company requesting us to carry out work in connection with the offer document being issued by the Company in connection with its Proposed Initial Public Offer ('IPO') of Equity Shares. The financial information has been prepared by the company and approved by the Board of Directors.

A. *Financial Information as per Audited Financial Statements*

We have examined the attached 'Consolidated Restated Summary Statement of Assets and Liabilities' of the Company as at 30th June 2007, 30th June 2006 and 31st March 2007, (Annexure I) and the attached 'Consolidated Restated Summary Statement of Profits and Losses' (Annexure II) and the attached 'Consolidated Restated Statement of Cash Flows' (Annexure III) for the period ended 30th June 2007 and 30th June 2006 and for the year ended 31st March 2007 referred to as 'Restated Summary Statements'. The financial statements for the period ended 30th June 2007 and 30th June 2006 and for the year ended 31st March 2007 have been adopted by the Board of Directors and audited by us. Based on our examination of these summary statements, we state that:

i. The Consolidated Restated Summary Statements' have to be read in conjunction with the notes given in Annexure IV to this report.

ii. The Consolidated Restated Summary Statements' of the Company have been restated with retrospective effect to reflect the significant accounting policies being adopted by the Company as at 30th June 2007, stated in notes forming the part of the consolidated restated Summary Statements vide Annexure IV of to this report.

iii. The consolidated restated profits have been arrived at after charging all expenses including depreciation and after making such adjustments and regrouping as in our opinion are appropriate in the year/period to which they are related as described in Para 3 of the Notes Forming Parts of the Consolidated Restated Summary Statements appearing in Annexure IV.

B. *Other Financial Information*

We have examined the following consolidated information in respect of the period ended 30th June 2007 and 30th June 2006 and for the year ended 31st March 2007 of the Company and its subsidiaries, proposed to be included in the RHP, as approved by the Board of Directors and annexed to this report:

i. Details of Secured and Unsecured Loans (Annexure -V)

ii. Details of Loans and Advances (Annexure -VI)

iii. Details of Sundry Debtors (Annexure -VII)

iv. Statement of Summary of Investments (Annexure -VIII)

v. Details of Current Liabilities and Provisions (Annexure -IX)

vi. Statements giving details of Other Income (Annexure -X)

vii. Details of Contingent Liabilities (Annexure -XI)

viii. Statements of dividend paid (Annexure -XII)

ix. Summary of Accounting Ratios based on adjusted profits related to earnings per share, net assets value and return on net worth (Annexure -XIII)

x. Statement of Tax Shelters (Annexure -XIV)

xi. Capitalization Statements of the Company as at 30th June 2007 (Annexure-XV)

xii. Related Party Disclosure (Annexure -XVI)

xiii. Statement of Other Current assets (Annexure - XVII).

In our opinion, the 'Financial Information as per 'Consolidated Audited Financial Statements' and 'Consolidated Other Financial Information' mentioned above for the period ended 30th June 2007 and 30th June 2006 and for the year ended 31st March 2007 have been prepared in accordance with the Part II of schedule II of the Act and the Guidelines.

This report should not in any way be constructed as a reissuance or redating of any of the previous audit report by other firms of Chartered Accountants nor should this be construed as a new opinion on any of the financial statements referred to herein.

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

For S P C M & ASSOCIATES
(Formerly known as Bora Kasat & Co.)
Chartered Accountants

CA Suhas P. Bora
Partner
Membership No. 39765

Place: Pune
Date: 29.09.2007

ANNEXURE - I

CONSOLIDATED RESTATED SUMMARY STATEMENT OF ASSETS AND LIABILITIES

Rs.Millions

PARTICULARS	FOR THE YEAR ENDED	FOR THE PERIOD ENDED	
	31st Mar 2007	30th Jun 2006	30th Jun 2007
Fixed Asset - A			
Gross Block	97.96	55.35	107.15
Less: Depreciation	17.39	12.55	19.38
Net Block - A	**80.57**	**42.80**	**87.77**
Investments - B	**1,472.90**	**616.87**	**1,558.27**
Deferred Tax Assets - C	**-**	**-**	**-**
Other Current Assets	3,976.51	2,125.91	3,802.77
Sundry Debtors	16.69	18.35	114.04
Cash and Bank Balances	31.50	4.32	24.89
Loans and Advances	304.88	440.52	274.71
Total D	**4,329.58**	**2,589.10**	**4,216.41**
Total Assets (A+B+C+D) = E	**5,883.05**	**3,248.77**	**5,862.45**
Liabilities and Provisions			
Secured Loans	797.53	460.94	740.79
Unsecured Loans	692.73	672.06	769.16
Deferred Tax Liabilities	1.65	0.63	1.72
Current Liabilities	2,282.02	1,816.05	1,909.12
Provisions	295.94	22.96	293.53
Total F	**4,069.87**	**2,972.64**	**3,714.32**
Net Worth (E-F)	**1,813.18**	**276.13**	**2,148.13**
Net Worth Represented by			
Share Capital	562.50	54.76	562.50
Reserves & Surplus	1,245.09	221.69	1,583.84
Minority Interest	10.81	0.20	10.82
Total	**1,818.40**	**276.65**	**2,157.16**
Less: Miscellaneous Expenditure (to the extent not written off or adjusted)	5.22	0.52	9.03
Net Worth	**1,813.18**	**276.13**	**2,148.13**

ANNEXURE - II

CONSOLIDATED RESTATED SUMMARY STATEMENT OF PROFIT AND LOSSES

Rs.Millions

PARTICULARS	FOR THE YEAR ENDED	FOR THE PERIOD ENDED	
	31st Mar 2007	30th Jun 2006	30th Jun 2007
INCOME			
Income from Operations	2,302.83	344.74	850.37
Other Income	221.60	14.52	39.28
Total	**2,524.43**	**359.26**	**889.65**
EXPENDITURE			
Cost of Construction/Development	1,014.78	182.21	434.84
Personnel Expenses	207.14	33.53	44.37
Selling General and Administrative Expenses	157.98	35.74	45.83
Financial Expenses	55.61	5.86	17.19
Depreciation	6.11	1.28	1.99
Total	**1,441.62**	**258.62**	**544.22**
Adjusted Profit before Tax	**1,082.81**	**100.64**	**345.43**
Provision for taxation			
Income Tax	244.54	6.72	6.08
Deferred Tax	1.12	0.09	0.07
Fringe Benefit Tax	1.54	0.11	0.52
Adjusted Profit after Tax	**835.61**	**93.72**	**338.76**
Carry Forward Profit from Previous Year	120.16	120.16	728.83
Add: Deferred Tax asset			
Add/less: Tax Adj. for earlier years	3.46	3.46	-
Total	**959.23**	**217.34**	**1,067.59**
APPROPRIATIONS			
Dividend	16.07	2.74	-
Dividend Tax	2.26	0.38	-
General Reserve	211.52	-	-
Capital Reserve on Consolidation	0.57	0.58	0.57
Share of profit transferred to Minority Interest	(0.02)	*0.00	(0.01)
Profit carried forward to Balance Sheet	**728.83**	**213.64**	**1,067.03**
Total	**959.23**	**217.34**	**1,067.59**

*- Rs.1,918.86

NOTES :-

1) The accompanying significant accounting policies and notes (Annexure IV) are an integral part of the accounts.

ANNEXURE - III

CONSOLIDATED RESTATED STATEMENT OF CASH FLOWS

Rs.Millions

PARTICULARS	FOR THE YEAR ENDED	FOR THE PERIOD ENDED	
	31st Mar 2007	30th Jun 2006	30th Jun 2007
Cash flow from Operating activities			
Net profit before taxation and extraordinary items	1,082.81	100.64	345.43
Adjustments for :-			
Depreciation	6.11	1.28	1.99
Share of Profit in Firms	(25.17)	(14.51)	(38.76)
Dividend income	(3.11)	(0.01)	(0.45)
Interest expenses	55.61	5.86	17.19
Preliminary Expenses written off	1.28	0.05	0.32
Prior Period Adjustments	-	-	-
Tax on Dividend	-	-	-
Preliminary Expenses Incurred	(6.50)	(0.57)	(4.13)
Liabilities and Provisions written back	(0.72)	-	(0.01)
Capital Gain on sale of shares	(192.30)	-	-
Interest on loan to Employees	(0.29)	-	(0.06)
Share in loss transferred to Minority	(0.02)	*0.00	(0.01)
Operating profit before working capital changes	**917.69**	**92.74**	**321.51**
Decrease/(Increase) in Debtors	(12.39)	(14.05)	(97.35)
Decrease/(Increase) in Inventories	(1,697.64)	(277.46)	(36.58)
Decrease/(Increase) in Other Current Assets	(613.43)	(318.18)	240.49
Increase/(Decrease) in Current Liabilities and Provisions	1,126.24	385.74	(375.24)
Cash generated from Operations	**(279.53)**	**(131.21)**	**52.83**
Income tax paid	(242.20)	(3.35)	(6.15)
Fringe Benefit Tax	(1.54)	(0.11)	(0.52)
Cash flow before extraordinary items	**(523.27)**	**(134.67)**	**46.16**
Extraordinary items, if any	**-**	**-**	**-**
Net cash from operating activities	**(523.27)**	**(134.67)**	**46.16**
Cash flows from Investing activities			
Decrease/(Increase) in fixed assets	(53.72)	(11.11)	(9.19)
Share of profit from Firms	15.97	14.48	38.76
Decrease/(Increase) in Investments	(1,143.50)	(287.47)	(85.37)
Dividend Received	3.11	0.01	0.45
Capital Gain on sale of shares	192.30	-	-
Liabilities and Provisions written back	0.72	-	0.01
Interest on loan to Employees	0.29	-	0.06
Net cash from Investing activities	**(984.83)**	**(284.09)**	**(55.28)**

PARTICULARS	FOR THE YEAR ENDED	FOR THE PERIOD ENDED	
	31st Mar 2007	30th Jun 2006	30th Jun 2007
<u>**Cash flows from Financing activities**</u>			
Proceeds from issuance of share capital	813.62	-	-
Increase/(Decrease) in Secured Loans	512.60	176.01	(56.74)
Increase/(Decrease) in Unsecured Loans	259.10	238.43	76.43
Increase/(Decrease) in Minority Interest	10.81	0.20	0.01
Interest paid	(55.61)	(5.86)	(17.19)
Dividend paid	(16.07)	(2.74)	-
Tax on Dividend	(2.26)	(0.38)	-
Capital Reserve on Consolidation	0.57	0.58	-
Net cash used in financing activities	**1,522.76**	**406.24**	**2.51**
Net increase in cash & Cash equivalents	**14.66**	**(12.52)**	**(6.61)**
Cash and cash equivalents at the beginning of period	**16.84**	**16.84**	**31.50**
Cash and cash equivalents at end of period	**31.50**	**4.32**	**24.89**

*- Rs.1,918.86

ANNEXURE - IV

NOTES FORMING PART OF THE RESTATED SUMMARY STATEMENTS

I. BACKGROUND

The Company was incorporated on 25th November 1991. The Company is primarily engaged in the business of promotion, construction, development of integrated townships, residential and commercial, multistoried buildings, flats, shopping malls, IT parks, Service Apartments, etc.

II. SIGNIFICANT ACCOUNTING POLICIES:

1. BASIS OF CONSOLIDATION

Accounting Standard – 21 "Consolidated Financial Statements"

The Consolidated Financial Statements include the accounts of Kolte-Patil Developers Limited and its subsidiary undertaking. Subsidiary undertakings are those companies in which Kolte-Patil Developers Limited directly or indirectly has an interest of more than half of the voting power or otherwise, has power to exercise control over the operations. Subsidiaries are consolidated from the date on which effective control is transferred to the group.

All inter company transactions, balances and unrealized surpluses and deficits on transactions with between group companies are eliminated. Consistency in adoption of accounting policies among all group companies is ensured to the extent practicable. Separate disclosure is made for minority interest.

Minority Interest in subsidiaries represents the proportionate share of the minority shareholders in net income of the subsidiaries.

The consolidated financial statement have been prepared using the uniform accounting policies except where stated otherwise, for like transaction and are presented to the extent possible in the same manner as in the company's separate financial statements.

"The Subsidiary companies considered in the consolidated Financial Statement are".

Name of the Company	Proportion of Ownership Interest
a) Yashowardhan Promoters and Developers Pvt. Ltd.	57.95%
b) ReGenesis Project Management Co. Pvt. Ltd.	99.99%
c) Sylvan Acres Realty Pvt Ltd	85.03%
d) I-Ven Kolte-Patil Projects (Pune) Pvt. Ltd.	51.00%
e) Kolte-Patil Real Estate Pvt. Ltd. (100 % Beneficial Interest)	–

"The Significant Firms and Joint Venture considered in the consolidated Financial Statements are".

Name	Constitutions	Interest of Company
1. M/s. Ankit Enterprises	Partnership Firm	75%
2. Kolte-Patil Homes	Partnership Firm	60%
3. Green Olive Ventures	A. O. P.	60% in Gross Sale

2. Notes to these consolidated Financial Statements are intended to serve as a means of informative disclosure and a guide to better understanding of the consolidated position of the Companies. Recognising this purpose, the Company has disclosed only such notes from the individual financial statements, which fairly present the needed disclosures.

3. BASIS FOR PREPARATION OF FINANCIAL STATEMENT:

Kolte-Patil Developers Limited

The Financial Statements are prepared on the historical cost convention in accordance with Indian Generally Accepted Accounting Principles ("GAAP") comprising the Accounting Standards issued by The Institute of Chartered Accountants of India and the provisions of the Companies Act, 1956 as adopted consistently by the company. All Income and Expenditure having a material effect bearing on the Financial Statements are recognised on the accrual basis.

Yashowardhan Promoters & Developers Pvt. Ltd.

The Financial statements are prepared on the historical cost convention in accordance with Indian Generally Accepted Accounting Principles ("GAAP") comprising the Accounting Standards issued by The Institute of Chartered Accountants of India and the provisions of The Companies Act, 1956 as adopted consistently by the company. All Income and Expenditure having a material effect bearing on the Financial Statements are recognised on the accrual basis.

ReGenesis Project Management Company Pvt. Ltd.

The Financial statements are prepared on the historical cost convention in accordance with Indian Generally Accepted Accounting Principles ("GAAP") comprising the Accounting Standards issued by The Institute of Chartered Accountants of India and the provisions of The Companies Act, 1956 as adopted consistently by the company. All Income and Expenditure having a material effect bearing on the financial statements are recognised on the accrual basis.

Sylvan Acres Realty Pvt. Ltd.

The Financial statements are prepared on the historical cost convention in accordance with Indian Generally Accepted Accounting Principles ("GAAP") comprising the Accounting Standards issued by The Institute of Chartered Accountants of India and the provisions of The Companies Act, 1956 as adopted consistently by the company. All Income and Expenditure having a material effect bearing on the financial statements are recognised on the accrual basis.

I-Ven Kolte Patil (Pune) Pvt. Ltd.

The Financial statements are prepared on the historical cost convention in accordance with Indian Generally Accepted Accounting Principles ("GAAP") comprising the Accounting Standards issued by The Institute of Chartered Accountants of India and the provisions of The Companies Act, 1956 as adopted consistently by the company. All Income and Expenditure having a material effect bearing on the financial statements are recognised on the accrual basis.

Kolte Patil Real Estate Pvt. Ltd.

The Financial statements are prepared on the historical cost convention in accordance with Indian Generally Accepted Accounting Principles ("GAAP") comprising the Accounting Standards issued by The Institute of Chartered Accountants of India and the provisions of The Companies Act, 1956 as adopted consistently by the company. All Income and Expenditure having a material effect bearing on the financial statements are recognised on the accrual basis.

4. USE OF ESTIMATES

The preparation of Financial Statements in conformity with generally accepted accounting principles requires the management to make estimates and assumptions that affect the reported balances of Assets and Liabilities as of the date of the Financial Statement and reported amounts of Income and Expenses during the period. Management believes that the estimates uses in the preparation of Financial Statements are prudent and reasonable. Actual results could differ from the estimates.

Yashowardhan Promoters & Developers Pvt. Ltd.

The preparation of Financial Statements in conformity with generally accepted accounting principles requires the management to make estimates and assumptions that affect the reported balances of Assets and Liabilities as of the date of the Financial Statement and reported amounts of Income and Expenses during the period. Management believes that the estimates use in the preparation of Financial Statements is prudent and reasonable. Actual results could differ from the estimates.

ReGenesis Project Management Company Pvt. Ltd.

The preparation of The Financial Statements in conformity with GAAP requires that the management of the company make estimates and assumptions that affect the reported amount of revenue and expenses of the period, reported balances of assets and liabilities and disclosures relating to contingent assets and liabilities as of the date of financial statements. Actual results could differ from these estimates.

Sylvan Acres Realty Pvt. Ltd.

The preparation of the Financial Statements in conformity with GAAP requires that the management of the company make estimates and assumptions that affect the reported amount of revenue and expenses of the period, reported balances of assets and liabilities and disclosures relating to contingent assets and liabilities as of the date of financial statements. Actual results could differ from these estimates.

I-Ven Kolte Patil (Pune) Pvt. Ltd.

The preparation of The Financial Statements in conformity with GAAP requires that the management of the company make estimates and assumptions that affect the reported amount of revenue and expenses of the period, reported balances of assets and liabilities and disclosures relating to contingent assets and liabilities as of the date of financial statements. Actual results could differ from these estimates.

Kolte Patil Real Estate Pvt. Ltd.

The preparation of The Financial Statements in conformity with GAAP requires that the management of the company make estimates and assumptions that affect the reported amount of revenue and expenses of the period, reported balances of assets and liabilities and disclosures relating to contingent assets and liabilities as of the date of financial statements. Actual results could differ from these estimates.

5. FIXED ASSETS

Kolte-Patil Developers Limited

i. The Gross Block of Fixed Assets are stated in the Accounts at the purchase price of acquisition of such assets including any attributable cost of bringing the assets to its working condition for its intended use.

ii. Office premises located at Jalgaon has been taken on lease for a period of 50 years and reflected in Gross Block at Rs. 1.00 Lakh. The leasehold premises has been amortised @ 2% per annum on the basis of period of lease.

Yashowardhan Promoters & Developers Pvt. Ltd.

The Gross Block of Fixed Assets are stated in the Accounts at the purchase price of acquisition of such assets including any attributable cost of bringing the assets to its working condition for its intended use.

ReGenesis Project Management Company Pvt. Ltd.

The Gross Block of Fixed assets are stated in the Accounts at the purchase price of acquisition of such assets including any attributable cost of bringing the assets to its working condition for its intended use.

I-Ven Kolte Patil (Pune) Pvt. Ltd.

The Gross Block of Fixed assets are stated in the Accounts at the purchase price of acquisition of such assets including any attributable cost of bringing the assets to its working condition for its intended use.

6. DEPRECIATION

Kolte-Patil Developers Limited

Depreciation is provided as per the straight-line method according to the rates prescribed in schedule XIV to the Companies Act, 1956.

Cost of Leasehold rights is being amortized at the rate of 2% per annum considering the period of lease.

Yashowardhan Promoters & Developers Pvt. Ltd.

Depreciation is provided in the Books on “Written Down Value” basis at Rates prescribed under the Companies Act 1956.

ReGenesis Project Management Company Pvt. Ltd.

Depreciation is provided in the Books on Straight Line Method at the Rates prescribed in Schedule XIV of the Companies Act, 1956.

I-Ven Kolte Patil (Pune) Pvt. Ltd.

Depreciation is provided in the Books on Straight Line Method at the Rates prescribed in Schedule XIV of the Companies Act, 1956.

7. REVENUE RECOGNITION

Kolte-Patil Developers Limited

i) SALE OF FLATS

The Company has followed Project Completed Contract method of accounting. Under this method, Revenues and Expenses on Long Term projects are recognized in the period in which the project is completed except the loss, which is recognized in the year of occurrence. Where the project is taken over a number of accounting periods, revenue earned in a given period is recognized on the basis of possession given to the purchaser. Amount received from the customers which does not qualify for revenue recognition under the project-completed method are accounted for as advance from customers.

Since the Company is engaged in the real estate development business, the Accounting Standard-7 "Accounting for Construction Contracts" issued by The Institute of Chartered Accountants of India is not applicable to the Company.

ii) SHARE OF PROFIT IN PARTNERSHIP FIRM / JOINT VENTURE

The share of profit from the firms, in which the company is partner and the joint venture, is accounting for as per the Final Statement of Accounts of the firm / joint venture.

iii) INCOME FROM INVESTMENT

Interest on Fixed Deposit is accounted on accrual basis, whereas dividend from shares and mutual fund is accounted for on receipt basis.

Yashowardhan Promoters & Developers Pvt. Ltd.

Income from Investment:

Interest on Fixed Deposit is accounted on accrual basis.

8. COST OF CONSTRUCTION / DEVELOPMENT

Kolte-Patil Developers Limited

Cost of construction / development incurred is charged to the Profit and Loss Account proportionate to project area sold. Adjustments, if required, are made on completion of the respective projects.

9. INVENTORIES

Kolte-Patil Developers Limited

Inventory comprises property under constructions (work in progress). Work In Progress comprises Cost of Land, Development Rights, TDR, Construction and Development Cost, Cost of Material, Services and Other Overheads related to projects under constructions.

Yashowardhan Promoters & Developers Pvt. Ltd.

Inventory comprises property under constructions (work in progress). Work In progress comprises cost of land, development rights, TDR, Construction and Development Cost, Cost of Material, Services and Other Overheads related to projects under constructions.

10. INVESTMENTS

Kolte-Patil Developers Limited

Long-Term Investments are stated at cost after providing for any diminution in value, if such diminution is of permanent nature. Current Investments are carried at lower of cost or market value. The determination of carrying amount of such investments is done on the basis of specific identification. Investments in integrated joint ventures are carried at cost net off adjustments for company's share in Profits or Losses as recognized.

Yashowardhan Promoters & Developers Pvt. Ltd.

Investments are stated at cost.

11. CONSTRUCTION SALES

Kolte-Patil Developers Limited

Construction Sales represents sales of Commercial, Residential and other units in respect of which terms and conditions of Agreements executed are complied with. The sale shown in Profit and Loss Account includes receipts from Business Center.

12. RETIREMENT BENEFITS

Kolte-Patil Developers Limited

Liability is provided for Retirement Benefits of Provident Fund, Gratuity in respect of Eligible Employees Contributions under the defined Contribution Scheme is charged to revenue. The liability in respect of defined benefit scheme like gratuity is provided in the accounts on the basis of actuarial valuation as on 30^{th} June 2007.

At present, as per accounting policy of the Company, employees are not entitled for leave cash benefits.

ReGenesis Project Management Company Pvt. Ltd.

Estimated liabilities towards retirement benefits to employees have not been quantified on the date of Balance Sheet. The same is accounted for on cash basis.

I-Ven Kolte Patil (Pune) Pvt. Ltd.

Estimated liabilities towards retirement benefits to employees have not been quantified on the date of Balance Sheet. The same is accounted for on cash basis.

13. BORROWING COST

Kolte-Patil Developers Limited

Borrowing costs are recognised as expenses in the period in which they are incurred and debited to Profit and Loss Account.

Yashowardhan Promoters & Developers Pvt. Ltd.

Borrowing costs are recognised as expenses in the period in which they are incurred and debited to Profit and Loss Account.

ReGenesis Project Management Company Pvt. Ltd.

Borrowing costs are recognized as expenses in the period in which they are incurred and debited to Profit and Loss Account.

14. TAXATION

Kolte-Patil Developers Limited

Income Tax expenses for the year included Current Tax, Fringe Benefit Tax. Provision, for Current Income Tax is made on the Current Tax Rate based on assessable income for the year workout as per the provision of Income Tax Act 1961, as applicable for A.Y. 2008-2009.The Deferred Tax Assets and Liabilities are recognized for the future tax consequences of timing differences, subject to the consideration of prudence. Deferred Tax Assets and Liabilities are measured using the tax rates enacted or substantively enacted by the Balance Sheet date.

ReGenesis Project Management Company Pvt. Ltd.

Current tax is determined as the amount of tax payable in respect of taxable income for the year based on the provisions of the Income Tax Act, 1961.

Provision for Fringe Benefit Tax is worked out as per the provisions of the Income Tax Act, 1961 as applicable for A.Y. 2008-2009

Deferred tax for the year is recognized on timing difference, being the difference between taxable income and accounting income that originate in one period and are capable for reversal in one or more subsequent periods.

Deferred Tax Assets and Liabilities are measured using the tax rates and tax laws that have been enacted or substantively enacted by the Balance Sheet date. Deferred Tax Assets are recognized and carried forward only if there is a reasonable/ virtual certainty of its realization.

I-Ven Kolte Patil (Pune) Pvt. Ltd.

Current tax is determined as the amount of tax payable in respect of taxable income for the year based on the provisions of the Income Tax Act, 1961.

Deferred tax for the year is recognized on timing difference, being the difference between taxable income and accounting income that originate in one period and are capable for reversal in one or more subsequent periods.

Deferred Tax Assets and Liabilities are measured using the tax rates and tax laws that have been enacted or substantively enacted by the Balance Sheet date. Deferred Tax Assets are recognized and carried forward only if there is a reasonable/ virtual certainty of its realization.

15. PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

Kolte-Patil Developers Limited

As per Accounting Standard 29, Provisions, Contingent Liabilities and Contingent Assets (AS)-29, issued by the Institute of Chartered Accountants of India, the Company recognizes provisions only when it has a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation as and when a reliable estimate of the amount of the obligation can be made.

No provision is recognized for –

(i) Any possible obligation that arises from past events and the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company; or

(ii) Any present obligation that arises from past events but is not recognized because: –

- It is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
- A reliable estimate of the amount of obligation cannot be made.

Such obligations are recorded as Contingent Liabilities. These are assessed continually and only that part of the obligation for which an outflow of resources embodying economic benefits is probable, is provided for, except in the extremely rare circumstances where no reliable estimate can be made.

Contingent Assets are not recognized in the Financial Statements since this may result in the recognition of income that may never be realized.

Yashowardhan Promoters & Developers Pvt. Ltd.

As per Accounting Standard 29, “Provisions, Contingent Liabilities and Contingent Assets” (AS)-29, issued by the Institute of Chartered Accountants of India, the Company recognizes provisions only when it has a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation as and when a reliable estimate of the amount of the obligation can be made.

No provision is recognized for –

(i) Any possible obligation that arises from past events and the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company; or

(ii) Any present obligation that arises from past events but is not recognized because –

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Such obligations are recorded as Contingent Liabilities. These are assessed continually and only that part of the obligation for which an outflow of resources embodying economic benefits is probable, is provided for, except in the extremely rare circumstances where no reliable estimate can be made.

Contingent Assets are not recognized in the Financial Statements since this may result in the recognition of income that may never be realized.

ReGenesis Project Management Company Pvt. Ltd.

As per Accounting Standard 29, Provisions, Contingent Liabilities and Contingent Assets (AS)-29, issued by the Institute of Chartered Accountants of India, the Company recognizes provisions only when it has a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation as and when a reliable estimate of the amount of the obligation can be made.

No provision is recognized for –

(i) Any possible obligation that arises from past events and the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company; or

(ii) Any present obligation that arises from past events but is not recognized because: –

- It is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation;

  or

- A reliable estimate of the amount of obligation cannot be made.

Such obligations are recorded as Contingent Liabilities. These are assessed continually and only that part of the obligation for which an outflow of resources embodying economic benefits is probable, is provided for, except in the extremely rare circumstances where no reliable estimate can be made.

Contingent Assets are not recognized in the financial statements since this may result in the recognition of income that may never be realized.

Sylvan Acres Realty Pvt. Ltd.

As per Accounting Standard 29, Provisions, Contingent Liabilities and Contingent Assets (AS)-29, issued by the Institute of Chartered Accountants of India, the Company recognizes provisions only when it has a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation as and when a reliable estimate of the amount of the obligation can be made.

No provision is recognized for –

(i) Any possible obligation that arises from past events and the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company; or

(ii) Any present obligation that arises from past events but is not recognized because: –

- It is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation;

  or

- A reliable estimate of the amount of obligation cannot be made.

Such obligations are recorded as Contingent Liabilities. These are assessed continually and only that part of the obligation for which an outflow of resources embodying economic benefits is probable, is provided for, except in the extremely rare circumstances where no reliable estimate can be made.

Contingent Assets are not recognized in the financial statements since this may result in the recognition of income that may never be realized.

I-Ven Kolte Patil (Pune) Pvt. Ltd.

As per Accounting Standard 29, Provisions, Contingent Liabilities and Contingent Assets (AS)-29, issued by the Institute of Chartered Accountants of India, the Company recognizes provisions only when it has a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation as and when a reliable estimate of the amount of the obligation can be made.

No provision is recognized for –

(i) Any possible obligation that arises from past events and the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company; or

(ii) Any present obligation that arises from past events but is not recognized because-

- It is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation;

  or

- A reliable estimate of the amount of obligation cannot be made.

Such obligations are recorded as Contingent Liabilities. These are assessed continually and only that part of the obligation for which an outflow of resources embodying economic benefits is probable, is provided for, except in the extremely rare circumstances where no reliable estimate can be made.

Contingent Assets are not recognized in the financial statements since this may result in the recognition of income that may never be realized.

Kolte Patil Real Estate Pvt. Ltd.

As per Accounting Standard 29, Provisions, Contingent Liabilities and Contingent Assets (AS)-29, issued by the Institute of Chartered Accountants of India, the Company recognizes provisions only when it has a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation as and when a reliable estimate of the amount of the obligation can be made.

No provision is recognized for –

(i) Any possible obligation that arises from past events and the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company; or

(ii) Any present obligation that arises from past events but is not recognized because –

- It is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation;

  or

- A reliable estimate of the amount of obligation cannot be made.

Such obligations are recorded as Contingent Liabilities. These are assessed continually and only that part of the obligation for which an outflow of resources embodying economic benefits is probable, is provided for, except in the extremely rare circumstances where no reliable estimate can be made.

Contingent Assets are not recognized in the financial statements since this may result in the recognition of income that may never be realized.

16. MISCELLANEOUS EXPENSES

Kolte-Patil Developers Limited

Miscellaneous Expenses are amortised over a period of five years.

Yashowardhan Promoters & Developers Pvt. Ltd.

Miscellaneous Expenses are amortised over a period of five years.

ReGenesis Project Management Company Pvt. Ltd.

Preliminary expenses disclosed under the head Miscellaneous Expenses are amortised over a period of five years.

Sylvan Acres Realty Pvt. Ltd.

The Expenditure incurred on the formation of the company is considered as deferred revenue expenditure.

Kolte Patil Real Estate Pvt. Ltd.

The Expenditure incurred on the formation of the company is considered as deferred revenue expenditure.

17. IMPAIRMENT OF ASSET

Kolte-Patil Developers Limited

An asset is impaired when the carrying amount of the asset exceeds its recoverable amount. An impairment loss is charged to the Profit and Loss Account in the year in which an asset is identified as impaired.

Yashowardhan Promoters & Developers Pvt. Ltd.

An asset is impaired when the carrying amount of the asset exceeds its recoverable amount. An impairment loss is charged to the Profit and Loss Account in the quarter in which an asset is identified as impaired.

ReGenesis Project Management Company Pvt. Ltd.

An asset is impaired when the carrying amount of the asset exceeds its recoverable amount. An impairment loss is charged to the Profit and Loss Account in the year in which an asset is identified as impaired.

I-Ven Kolte Patil (Pune) Pvt. Ltd.

An asset is impaired when the carrying amount of the asset exceeds its recoverable amount. An impairment loss is charged to the Profit and Loss Account in the year in which an asset is identified as impaired.

18. IPO EXPENSES:

Kolte-Patil Developers Limited

Expenses incurred for the proposed Public Issue of Equity Shares of the Company are considered as Deferred Revenue Expenditure.

19. EARNINGS PER SHARE:

Kolte-Patil Developers Limited

The Company reports basic and diluted earning per share in accordance with Accounting Standard (AS-20) "Earnings Per Share" issued by the Institute of Chartered Accountants of India on 'Earning Per Share'. Basic Earnings Per Share is computed by dividing the Net Profit or Loss for the attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. Diluted Earnings Per Share is computed by dividing the net Profit and Loss for the period by the weighted average number of equity shares outstanding during the period as adjusted for the effects of all diluted potential Equity Shares except where the results are anti-dilutive.

20. Work In Progress

Kolte-Patil Developers Limited

The Work in progress have been taken as verified, valued and certified by the management and as informed, it is taken on the basis of cost price.

Yashowardhan Promoters & Developers Pvt. Ltd.

The Work in progress have been taken as verified, valued and certified by the management and as informed, it is taken on the basis of cost price.

I-Ven Kolte Patil (Pune) Pvt. Ltd.

Work in Progress is stated at cost, which comprises of cost of land, construction and development cost, construction material cost and other incidental expenses, is based on verification and Technical valuation by the management.

III. NOTES TO ACCOUNTS

1. EVENTS OCCURRING AFTER BALANCE SHEET DATE

Kolte-Patil Developers Limited

No significant events which could affect the financial position as on 30th June 2007, to a material extent have been reported by the assessee, after the Balance Sheet date till the signing of report.

Yashowardhan Promoters & Developers Pvt. Ltd.

The assessee has reported no significant events which could affect the financial position as on 30th June 2007, to a material extent, after the balance sheet date till the signing of report.

ReGenesis Project Management Company Pvt. Ltd.

No significant events which could affect the financial position as on 30th June 2007, to a material extent have been reported by the company, after the Balance Sheet date till the signing of report.

Sylvan Acres Realty Pvt. Ltd.

The company has reported no significant events, which could affect the financial position as on 30th June 2007, to a material extent, after the balance sheet date till the signing of report.

I-Ven Kolte Patil (Pune) Pvt. Ltd.

The company has reported no significant events which could affect the financial position as on 30th June 2007, to a material extent, after the balance sheet date till the signing of report.

Kolte Patil Real Estate Pvt. Ltd.

The company has reported no significant events, which could affect the financial position as on 30th June 2007, to a material extent, after the balance sheet date till the signing of report.

2. **PRIOR PERIOD AND EXTRA ORDINARY ITEMS**

Kolte-Patil Developers Limited

There are no material changes or credits which arise in current period, on account of errors or omissions in the preparation of Financial Statements for one or more periods.

Yashowardhan Promoters & Developers Pvt. Ltd.

There are no material changes or credit which arise in current period, on account of errors or omissions in the preparation of financial statements for one or more periods.

ReGenesis Project Management Company Pvt. Ltd.

There are no material changes or credit which arise in current period, on account of errors or omissions in the preparation of financial statements for one or more periods.

Sylvan Acres Realty Pvt. Ltd.

There are no material changes or credit which arise in current period, on account of errors or omissions in the preparation of financial statements for one or more periods.

I-Ven Kolte Patil (Pune) Pvt. Ltd.

There are no material changes or credit which arise in current period, on account of errors or omissions in the preparation of financial statements for one or more periods.

3. **PAYMENT TO AUDITORS:**

Kolte-Patil Developers Limited

Particulars	**Amount** (Rs. Millions)
a) Audit Fees	0.06
b) As advisor in Other Capacity in respect of taxation matters	0.01
	0.07

(The payment is inclusive of Service Tax as applicable)

4. **DIRECTORS' REMUNERATION:**

Kolte-Patil Developers Limited

During the quarter the company has paid to the Directors Rs. 6.12 Millions towards remuneration as follows:

NAME	**DESIGNATION**	**SALARY (Rs./Million)**
Mr. Rajesh A. Patil	Chairman and Managing Director	1.53
Mr. Naresh A. Patil	Executive Director	1.53
Mr. Milind D. Kolte	Executive Director	1.53
Mrs. Sunita Kolte	Executive Director	1.53
		6.12

5. **EARNINGS PER SHARE**

Kolte-Patil Developers Limited

The earnings considered in ascertaining the Company's EPS comprises the profit available for shareholders i.e. profit after tax and Statutory / Regulatory appropriations. The number of shares used in computing Basic EPS is the weighted average number of shares outstanding during the year.

Particulars	30.06.2007	31.03.2007
Net Profit attributable to shareholders. Rs. / million	337.13	835.10
Weighted average number of equity shares no. / million	56.25	36.40
Basic and diluted earnings per share – Rs.	5.99	22.95
Nominal value of equity shares – (Rs.)	10	10

Note:

The earnings per shares is calculated in accordance with Accounting Standard 20 "Earnings Per Share" issued by the Institute of Chartered Accounts of India in terms of para 24 of AS-20, the number of Equity Shares outstanding before the issue of Bonus Shares is adjusted for the change in the number of Equity Shares issued as Bonus Shares as if the shares were issued at the earliest reported period.

6. DETAILS OF PURCHASE, STOCK CONSUMPTION AND TURNOVER OF RAW MATERIAL AND COMPONENTS

Kolte-Patil Developers Limited

(i) The company has not maintained the quantitative stock record.

(ii) The total amount wise information is as follows:

Particulars	30-06-2007 (Rs. In Millions)	31-03-2007 (Rs. In Millions)
Opening Work In Progress	2375.27	1652.83
Purchases and other expenses	437.64	1940.49
Sales	849.681	2293.68
Closing Work In Progress	2337.344	2375.28

Yashowardhan Promoters & Developers Pvt. Ltd.

(i) The company has not maintained the quantitative stock record.

(ii) The total amount wise information is as follows (in Rs. million):

	30-06-2007	31-03-2007
Opening Work In Progress	333.463	208.92
Purchases and other expenses	48.225	124.54
Sales	—-	—-
Closing Work In Progress	381.687	333.46

7. PARTICULARS OF EXPENSES INCURRED IN FOREIGN CURRENCY

Kolte-Patil Developers Limited

		For the period Ended 30.06.07 (Rs. In Millions)	Financial Year Ended 31.03.07 (Rs. In Millions)
(I)	Expenditure incurred in foreign currency: Travelling (As certified by Management)	0.26 (2675 USD) (1450 POUND)	1.23 (USD 27600)
	Exhibition	NIL	NIL
(ii)	Receipts in Foreign Currency	NIL	NIL
(iii)	The Profit/Loss on exchange realization being small amount considered in Foreign Travel Expense Account.		

ReGenesis Project Management Company Pvt. Ltd.

a)	Expenditure incurred in Foreign Currency: i) Travelling (As certified by management)	Rs. 0.206 millions (USD 3,525 CN 650)
	ii) Exhibition	NIL
b)	Receipts in Foreign Currency	NIL
c)	The Profit / Loss on exchange realization being small amount considered in Foreign Travelling Expense Account	NIL

Sylvan Acres Realty Pvt. Ltd.

Particulars		For the period Ended 30.06.2007
a)	Expenditure incurred in foreign currency: Travelling (As certified by management)	NIL
	Exhibition	
b)	Receipts in Foreign Currency	NIL
c)	The Profit / Loss on exchange realization being small amount considered in Foreign Travelling Expense Account	NIL

I-Ven Kolte Patil (Pune) Pvt. Ltd.

Particulars		For the period Ended 30.06.2007
a)	Expenditure incurred in foreign currency: Architect Fee (As certified by management) (Rs./Millions)	0.987 (USD 24000)
	Exhibition	
b)	Receipts in Foreign Currency	NIL
c)	The Profit / Loss on exchange realization being small amount considered in Foreign Travelling Expense Account	NIL

8. RELATED PARTY TRANSACTION (ACCOUNTING STANDARD 18)

Kolte-Patil Developers Limited

Related party disclosures as required by Accounting Standard 18 'Related Party Disclosures', (AS)-18 issued by the Institute of Chartered Accountants of India are given below:

A. LIST OF RELATED PARTIES

i) Concerns in which company is partner :

1. Ankit Enterprises
2. Kolte Patil Homes

ii) Concerns in which Key Management Personnel or their relatives, exercise, significant influence

Name of the concern :

1. Patil Developers Pvt. Ltd.
2. Yashowardhan Promoters and Developers Pvt. Ltd.
3. ReGenesis Project Management Company Pvt. Ltd.
4. Sylvan Acres Reality Pvt. Ltd.

5. I-Ven Townships (Pune) Pvt. Ltd.
6. Kolte-Patil Developers & Finance Pvt. Ltd.
7. Corolla Realty Pvt. Ltd.
8. I-Ven Kolte-Patil Projects (Pune) Pvt. Ltd.
9. Kolte-Patil Real Estate Pvt. Ltd.
10. KPA Developers Pvt. Ltd.
11. Kolte Patil Enterprises

iii) Key Management Personnel :

1. Patil Rajesh Aniruddha
2. Kolte Milind Digambar
3. Patil Naresh Aniruddha

iv) Relatives of Key Management Personnel :

1. Ms. Sunita R. Patil
2. Ms. Sunita M. Kolte
3. Ms. Ankita R. Patil
4. Ms. Vandana N. Patil

v) Joint Ventures :

1. Green Olive Ventures (AOP)

b) There are no provisions for doubtful debts or no amounts have been written of in respect of the debts due to or from the related parties.

c) Following transactions were carried out with the related parties:

Name of the related Party	**Nature of transaction**	**Transaction for the Period Rs./Million**	**Balance as on 30.06.2007**
Mr. Rajesh Patil	Salary to Director	1.53	0.79
Mr. Naresh Patil	Salary to Director	1.53	0.79
Mr. Milind Kolte	Salary to Director	1.53	0.79
Mrs. Sunita Kolte	Salary to Director	1.53	1.16
Ankit Enterprises	Interest Paid	0.08	
	Current Capital Dr. Balance		332.33
Yashowardhan Promoters & Dev. Pvt. Ltd	Interest Received	2.34	
	Loan Given	16.70	
	Loan Repaid	15.00	
	Loan Outstanding		108.37
ReGenesis	Rent Received	0.27	
Project Management Co. Pvt. Ltd	Expenditure incurred on behalf	0.16	0.16
	Brokerage and Commission	4.64	13.19

Name of the related Party	Nature of transaction	Transaction for the Period Rs./Million	Balance as on 30.06.2007
Corolla Realty Pvt. Ltd	Debenture Application Money	0.02	16.40
Kolte Patil Real Estate Pvt. Ltd.	Equity Share Application Money	4.54	260.87
I-Ven Township Pune Pvt. Ltd.	Expenditure Incurred	0.85	
	Outstanding Cr. Balance		0.09
	Expenditure Reimbursed	0.76	
Kolte Patil Homes	Amount Received	6.19	
	Expenditure Incurred	0.84	
	Expenditure Reimbursed	0.76	
	Amount Paid	0.50	
	Current Capital Cr. Balance		77.82
Green Olive Venture	Amount Paid	0.79	
	Expenditure Incurred	0.02	00.00

Yashowardhan Promoters & Developers Pvt. Ltd.

Related party disclosures as required by Accounting Standard 18 'Related Party Disclosures', (AS)-18 issued by the Institute of Chartered Accountants of India are given below:

A. LIST OF RELATED PARTIES

i) Concerns in which Key Management Personnel or their relatives, exercise, significant influence

Name of the concern:

Kolte Patil Developers Ltd.

ii) Key Management Personnel

1. Mr. Patil Rajesh Aniruddha
2. Mr. Kolte Milind Digambar
3. Mr. Gurnani Harish Kumar
4. Mr. Bhagwan T Shivlani

iii) There are no provisions for doubtful debts or no amounts have been written off in respect of the debts due to or from the related parties.

iv) Following transactions were carried out with the related parties.

Name of the related Party	Nature of transaction	Amount for the Quarter (Rs./Million)	Balance as on 30.06.2007 (Rs./Million)
Kolte-Patil Developers Limited	Interest Accrued	2.34	8.40
	Loan Repaid	15.00	
	Loan Given	16.70	
	Investment In Equity Shares	NIL	1.02
	Outstanding (Rebalance)		108.37
	Expenditure incurred on behalf	0.09	0.09
Gurnani Harish Kumar	Interest Accrued	0.49	1.76
	Outstanding (Cr. Balance)		21.07

ReGenesis Project Management Company Pvt. Ltd.

Related party disclosures as required by Accounting Standard 18 'Related Party Disclosures', (AS)-18 issued by the Institute of Chartered Accountants of India are given below:

a) Name of the related party and its relationship
   i) Associate concern :
      1. Kolte-Patil Developers Ltd.
      2. I-Ven Kolte Patil Projects (Pune) Pvt. Ltd.
      3. Olive Realty Pvt. Ltd.
      4. Sylvan Acres Reality Pvt. Ltd.
      5 I-Ven Townships Pune Pvt. Ltd.
      6. Corolla Reality Pvt. Ltd.
   ii) Key Management Personnel
      1. Milind D Kolte
      2. Rajesh A Patil

b) There are no provisions for doubtful debts or no amounts have been written of in respect of the debts due to or from the related parties.

c) Following transactions were carried out with the related parties.

Name of the related parties	Nature of transaction	Transaction for the period (Rs./Millions)	Balance as on 30.06.2007 (Rs./Millions)
Kolte-Patil Developers Limited.	Brokerage Received (excluding Service Tax)	4.13	13.19
	Rent Paid (excluding Service Tax)	0.27	
	Expenditure incurred on Behalf	0.16	
	Outstanding: (Cr. Balance)		0.16
I-Ven Kolte Patil Projects (Pune) Pvt. Ltd.	Brokerage Received (excluding Service Tax)	7.72	
	Professional Fees Received (excluding Service Tax)	0.46	
	Outstanding: (Dr. Balance)		13.52
I-Ven Townships (Pune) Pvt. Ltd.	Professional Fees Received (excluding Service Tax)	0.04	
	Outstanding: (Dr. Balance)		0.19
Kolte-Patil Real Estate Pvt. Ltd.	Expenditure incurred on Behalf	0.002	0.002
Mr. Rajesh Patil	Brokerage Received (excluding Service Tax)	0.42	0.47
	Outstanding: (Dr. Balance)		0.01
Mr. Milind Kolte	Brokerage Received (excluding Service Tax)	0.34	0.38
	Outstanding: (Dr. Balance)		0.01
Olive Realty Pvt. Ltd.	Expenditure incurred on behalf.	0.00	0.01
Corolla Realty Pvt. Ltd.	Professional Fees Received (excluding Service Tax)	0.16	0.83
Ankit Enterprises	Expenditure Reimbursement	0.08	NIL

Sylvan Acres Realty Pvt. Ltd.

Related party disclosures as required by Accounting Standard 18 'Related Party Disclosures', (AS)-18 issued by the Institute of Chartered Accountants of India are given below:

a) Name of the related party & its relationship

   i) Associate concern

      1. Kolte-Patil Developers Ltd.
      2. ReGenesis Project Management Company Pvt. Ltd.
      3 I-Ven Townships Pune Pvt. Ltd.
      4. Ankit Enterprises

   ii) Key Management Personnel

      1. Milind D Kolte
      2. Rajesh A Patil
      3. Naresh A Patil
      4. Ankita Patil

b) There are no provisions for doubtful debts or no amounts have been written off in respect of the debts due to or from the related parties.

c) Following transactions were carried out with the related parties.

Name of the related parties	**Nature of transaction**	**Transaction for the period (Rs./Millions)**	**Balance as on 30.06.2007 (Rs./Millions)**
I–Ven Townships (Pune) Pvt. Ltd.	Debenture Application Money	76.00	76.00
Milind D. Kolte	Debenture Application Money	33.80	84.06
Rajesh A. Patil	Debenture Application Money	42.20	42.20

I-Ven Kolte Patil (Pune) Pvt. Ltd.

Related party disclosures as required by Accounting Standard 18 'Related Party Disclosures', (AS)-18 issued by the Institute of Chartered Accountants of India are given below:

a) Name of the related party and its relationship

   i) Associate concern

      1. Kolte-Patil Developers Ltd.
      2. ReGenesis Project Management Company Pvt. Ltd.
      3. W. I. Trustee & Executor Co. Ltd.

   ii) Key Management Personnel

      1. Milind D Kolte
      2. Rajesh A Patil
      3. Kishore D Gotety
      4. P. M. Devayya

b) There are no provisions for doubtful debts or no amounts have been written of in respect of the debts due to or from the related parties.

c) Following transactions were carried out with the related parties.

Name of the related party	Nature of transaction	Transaction for the period (Rs./Millions)	Balance as on 30.06.2007 (Rs./Millions)
Kolte-Patil Developers Limited	Debenture Application Money	0.06	8.03
ReGenesis Project Infrastructure Co. Pvt. Ltd.	Project Management Fees	0.51	
	Brokerage Paid	8.68	
	Outstanding: Cr Balance		13.52
Ankit Enterprises	Expenses Incurred	0.09	0.09

Kolte Patil Real Estate Pvt. Ltd.

Related party disclosures as required by Accounting Standard 18 'Related Party Disclosures', (AS)-18 issued by the Institute of Chartered Accountants of India are given below:

a) Name of the related party and its relationship

   a. Associate concern

      1. Kolte-Patil Developers Ltd.

      2. ReGenesis Project Management Company Pvt. Ltd.

   b. Key Management Personnel

      1. Milind D Kolte

      2. Rajesh A Patil

b) There are no provisions for doubtful debts or no amounts have been written off in respect of the debts due to or from the related parties.

c) Following transactions were carried out with the related parties.

Name of the related parties	Nature of transaction	Transaction for the period (Rs./Millions)	Balance as on 30.06.2007 (Rs./Millions)
ReGenesis Project Management Co. Pvt. Ltd.	Expenditure incurred	0.002	0.002
Kolte-Patil Developers Ltd.	Share Application Money	4.54	260.87

9. CONTINGENT LIABILITIES:

Kolte-Patil Developers Limited

The company does not have any contingent liabilities as on 30th June 2007 except Income Tax outstanding demand pertaining to M/s. Ankit Enterprises in which the company is having 75% of share. Details of outstanding demand on account of Income Tax of the firm are as under:-

Asset. Year	Rs./Millions	Pending Before
2001-2002	0.84	CIT (A) – II, Pune
2003-2004	4.49	ITAT Mumbai
2004-2005	15.61	CIT (A) – II, Pune

Yashowardhan Promoters & Developers Pvt. Ltd.

The company does not have contingent liabilities as on 30th June 2007.

ReGenesis Project Management Company Pvt. Ltd.

The company does not have contingent liabilities as on 30th June 2007.

Sylvan Acres Realty Pvt. Ltd.

The company does not have contingent liabilities as on 30th June 2007.

I-Ven Kolte Patil (Pune) Pvt. Ltd.

The company does not have contingent liabilities as on 30th June 2007.

Kolte Patil Real Estate Pvt. Ltd.

The company does not have contingent liabilities as on 30th June 2007.

Yashowardhan Promoters & Developers Pvt. Ltd.

a. Since there is no taxable income provision for Income Tax is not made in the accounts.

b. Provision for Fringe Benefit Tax is worked out as per the provisions of the Income Tax Act, 1961 as applicable for A.Y. 2008-2009.

ReGenesis Project Management Company Pvt. Ltd.

Income tax expenses for the year includes current tax, fringe benefit tax, provision for the same is made on the basis of provisions of the Income Tax Act, 1961 as applicable for A.Y. 2008-2009.

I-Ven Kolte Patil (Pune) Pvt. Ltd.

Income tax expenses for the year includes current tax, fringe benefit tax, provision for the same is made on the basis of provisions of the Income Tax Act, 1961 as applicable for A.Y. 2008-2009.

10. INVESTMENT IN PARTNERSHIP

Kolte-Patil Developers Limited

Investment made in partnership firm represents investment made with M/s. Ankit Enterprises. The details of partnership is as follows:

i. Ankit Enterprises

a) Total Capital - Dr. Bal. Rs.156.29 million

b) Name of the Partner's - Profit Sharing Ratio

1) Mr. Patil Rajesh A.	7.50 %
2) Mr. Patil Naresh A.	7.50 %
3) Mr. Kolte Milind D.	5.00 %
4) Mrs. Kolte Sunita M.	5.00 %
5) Kolte-Patil Developers Ltd.	75.00 %

c) Share Profit of the company for the period ended on 30th June 2007 is Rs.10.61 million.

d) The Current Capital Account balance as on 30th June 2007 is at Rs.332.33 millions Dr. Bal.

ii. Kolte Patil Homes

a) Total Capital - Dr. Bal. Rs.27.65 million.

b) Name of the Partner's - Profit Sharing Ratio

1) Mr. Patil Naresh A.	30 %
2) Mrs. Patil Vandana N.	10 %
3) Kolte Patil Dev. Ltd	60 %

c) Share Profit of the company for the period ended on 30th June 2007 is Rs.28.15 million.

d) The Current Capital Account balance as on 30th June 2007 is at Rs.51.15 millions Dr. Bal.

iii. Interest in Joint Venture

The Company's interest and share in Joint Venture in jointly controlled activities are as follows:

Green Olive Ventures:-

The Company, by virtue of an Agreement has entered into a Joint Venture with Arista Developers Pvt. Ltd. by forming an Association of Persons named Green Olive Ventures. The Company has agreed to contribute an amount of 25 millions towards Initial Capital and further agreed to contribute further Capital as and when needed for Joint Venture. The company has contributed Rs. 34.92 millions up to 30th June 2007.

11. SEGMENT ACCOUNTING:

Kolte-Patil Developers Limited

Accounting Standards Interpretation (ASI) 20 Dt. 14.02.2004, issued by the Accounting Standard Board of ICAI, on AS – 17, Segment reporting clarifies that in case by applying the definition of "Business Segment and Geographical Segment" given in AS-17, it is concluded that there is neither more than one business segment nor more than one geographical segment, Segment Information as per AS-17 is not required to be disclosed.

Yashowardhan Promoters & Developers Pvt. Ltd.

Accounting Standards Interpretation (ASI) 20 dt. 14.02.2004, issued by the Accounting Standard Board of ICAI, on AS – 17, Segment reporting clarifies that in case by applying the definition of "Business Segment and Geographical Segment" given in AS-17, it is concluded that there is neither more than one business segment nor more than one geographical segment , Segment Information as per AS-17 is not required to be disclosed.

ReGenesis Project Management Company Pvt. Ltd.

Accounting Standards Interpretation (ASI) 20 dt. 14.02.2004, issued by the Accounting Standard Board of ICAI, on AS – 17, Segment reporting clarifies that in case by applying the definition of "Business Segment and Geographical Segment" given in AS-17, it is concluded that there is neither more than one business segment nor more than one geographical segment , Segment Information as per AS-17 is not required to be disclosed.

Sylvan Acres Realty Pvt. Ltd.

Accounting Standards Interpretation (ASI) 20 dt. 14.02.2004, issued by the Accounting Standard Board of ICAI, on AS – 17, Segment reporting clarifies that in case by applying the definition of "Business Segment and Geographical Segment" given in AS-17, it is concluded that there is neither more than one business segment nor more than one geographical segment , Segment Information as per AS-17 is not required to be disclosed.

I-Ven Kolte Patil (Pune) Pvt. Ltd.

Accounting Standards Interpretation (ASI) 20 dt. 14.02.2004, issued by the Accounting Standard Board of ICAI, on AS – 17, "Segment Reporting" clarifies that in case by applying the definition of "Business Segment and Geographical Segment" given in AS-17, it is concluded that there is neither more than one business segment nor more than one geographical segment , Segment Information as per AS-17 is not required to be disclosed.

Kolte Patil Real Estate Pvt. Ltd.

Accounting Standards Interpretation (ASI) 20 dt. 14.02.2004, issued by the Accounting Standard Board of ICAI, on AS – 17, Segment reporting clarifies that in case by applying the definition of "Business Segment and Geographical Segment" given in AS-17, it is concluded that there is neither more than one business segment nor more than one geographical segment , Segment Information as per AS-17 is not required to be disclosed.

12. IMPAIRMENT OF ASSETS

Kolte-Patil Developers Limited

In view of Accounting Standard required by AS-28 "Impairment of Assets" issued by ICAI, the company has reviewed its Fixed Assets and does not expect any loss as on 30th June, 2007 on account of impairment in addition to the provision already made in the books.

Yashowardhan Promoters & Developers Pvt. Ltd.

In view of Accounting Standard required by AS-28 " Impairment of Assets" issued by ICAI, the company has reviewed its fixed assets and does not expect any loss as on 30th June 2007 on account of impairment in addition to the provision already made in the books.

ReGenesis Project Management Company Pvt. Ltd.

In view of Accounting Standard required by AS-28 “Impairment of Assets” issued by ICAI, the company has reviewed its fixed assets and does not expect any loss as on 30th June 2007 on account of impairment in addition to the provision already made in the books.

I-Ven Kolte Patil (Pune) Pvt. Ltd.

In view of Accounting Standard required by AS-28 “Impairment of Assets” issued by ICAI, the company has reviewed its fixed assets and does not expect any loss as on 30th June 2007 on account of impairment in addition to the provision already made in the books.

13. OPERATING LEASE

Kolte-Patil Developers Limited

i. Lease rent payable for office taken on lease is charged to revenue under the head depreciation.

ii. The lease rentals are charged over the specified period of lease i.e. 50 years.

iii. Cost of leasehold rights is being amortised @ 2% per annum considering the period of lease.

14. CONTRIBUTION TO GROUP GRATUITY SCHEME OF LIC:

Kolte-Patil Developers Limited

The company has taken a Group Gratuity Policy from Life Insurance Corporation of India to adequately cover the present liability for future payments of gratuity to the employees on actuarial valuation. Premium paid during the year as per the scheme is absorbed under the head ‘Employee Cost’.

15. BONUS:

Kolte-Patil Developers Limited

Bonus for the year amounting to Rs. 0.071 millions paid during the year stands debited in the accounts.

16. KEYMAN INSURANCE POLICY:

Kolte-Patil Developers Limited

During the year ended 31st March 2007, company has paid Rs. 0.067 under the Keyman Insurance Policy of Life Insurance Corporation of India for the following directors

1. Milind D. Kolte
2. Rajesh A. Patil

Premium paid during the year as per the scheme is absorbed under the head ‘Employee Cost’.

17. EMPLOYEES STOCK OPTION PLAN 2006

The company has granted Employees Stock Option Plan 2006 (ESOP) to its employees pursuant to the resolution passed by the shareholders at the Extra Ordinary General Meeting held on 16th October 2006, which provides for the issue of 7,50,000 Equity Shares to the employees.

The Compensation Committee of the company administrators the ESOP 2006 Scheme.

The Compensation Committee of the company has approved the grants of option. The company has decided to follow option pricing modus as per SEBI (ESOP) Guidelines. As per plan, options granted under ESOP would vest in not less than 12 months and more than 42 months from the date of grant of such option. Vesting of option would be subject to continued employment with the company.

The company has accelerated the vesting of 7,50,000 unvested options, which are due to be vested in the month of September 2007.

18. UNPAID AMOUNTS TO SSI UNITS

Kolte-Patil Developers Limited

The Company has not received any intimation from “Suppliers” regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 and hence the Disclosure, if any, relating to amounts unpaid as at the year end together with interest paid/payable as required under the said Act have not been given.

Yashowardhan Promoters & Developers Pvt. Ltd.

The Company has not received any intimation from "Suppliers" regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 and hence the Disclosure, if any, relating to amounts unpaid as at the year end together with interest paid/payable as required under the said Act have not been given.

ReGenesis Project Management Company Pvt. Ltd

The Company has not received any intimation from "Suppliers" regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 and hence the Disclosure, if any, relating to amounts unpaid as at the year end together with interest paid/payable as required under the said Act have not been given.

Sylvan Acres Realty Pvt. Ltd.

The Company has not received any intimation from "Suppliers" regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 and hence the Disclosure, if any, relating to amounts unpaid as at the year end together with interest paid/payable as required under the said Act have not been given.

I-Ven Kolte Patil (Pune) Pvt. Ltd.

The Company has not received any intimation from "Suppliers" regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 and hence the Disclosure, if any, relating to amounts unpaid as at the year end together with interest paid/payable as required under the said Act have not been given.

Kolte Patil Real Estate Pvt. Ltd.

The Company has not received any intimation from "Suppliers" regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 and hence the Disclosure, if any, relating to amounts unpaid as at the year end together with interest paid/payable as required under the said Act have not been given.

19. CURRENT ASSETS, LOANS & ADVANCES

Kolte-Patil Developers Limited

In the opinion of the Board, Current Assets and Loans and Advances have a value on realisation in the ordinary course of business at least equal to the amount at which they are stated and provisions for all known and determined liabilities are adequate and not in the excess of the amount reasonably necessary.

Yashowardhan Promoters & Developers Pvt. Ltd.

In the opinion of the Board, Current assets and loans and advances have a Value on realisation in the ordinary course of business at least equal to the Amount at which they are stated and provisions for all known and determined liabilities are adequate and not in the excess of the amount reasonably necessary.

ReGenesis Project Management Company Pvt. Ltd.

In the opinion of the Board Current Assets and Loans and Advances have a value on realisation in the ordinary course of business at least equal to the amount at which they are stated and provisions for all known and determined liabilities adequate and not in excess of the amount reasonably necessary.

Sylvan Acres Realty Pvt. Ltd.

In the opinion of the Board Current Assets and Loans and Advances have a value on realisation in the ordinary course of business at least equal to the amount at which they are stated and provisions for all known and determined liabilities adequate and not in excess of the amount reasonably necessary.

I-Ven Kolte Patil (Pune) Pvt. Ltd.

In the opinion of the Board Current Assets and Loans and Advances have a value on realisation in the ordinary course of business at least equal to the amount at which they are stated and provisions for all known and determined liabilities adequate and not in excess of the amount reasonably necessary.

Kolte Patil Real Estate Pvt. Ltd.

In the opinion of the Board Current Assets and Loans and Advances have a value on realisation in the ordinary course of business at least equal to the amount at which they are stated and provisions for all known and determined liabilities adequate and not in excess of the amount reasonably necessary.

20. MATERIAL REGROUPINGS

The following balances have been regrouped in the Restated Statement of Assets and& Liabilities and Restated Statement of Profit & and Losses:

1. Balance due to M/s. Ankit Enterprises, a partnership concern, in which Company is a partner, has been considered as Current Liabilities in the Statement of Restated Assets & Liabilities for the period ended 30th June 2007 and 30th June 2006, and for each of the year ended 31st March, 2007, 2006, 2005, 2004 & 2003.
2. Balance due to M/s. Kolte-Patil Homes, a partnership concern, in which Company is a partner, has been considered as Current Liabilities in the Statement of Restated Assets and Liabilities for the period ended 30th June 2007 and 30th June 2006, and for each of the year ended 31st March, 2007 and 2006.
3. Share of Profit from M/s. Ankit Enterprises, a partnership concern, in which the Company is a partner, has been considered under the head Other Income.
4. Income from Dividend has been considered under the head Other Income.
5. The opening and closing balances in the restated financial statements includes Cash in hand, Bank balances and Cheques in hand.
6. Loans and Advances and Other Current Assets have been regrouped, reclassified and rearranged wherever necessary.

21. OTHER NOTES

Kolte-Patil Developers Limited

1. Balances standing at the Debit or Credit in the accounts of various parties are subject to confirmation and reconciliation.
2. Interest amount debited in Profit and Loss Account is after considering Interest Received and Other Receipts.
3. Estimated amounts of contract remaining to be executed on Capital Account and not provided for – NIL.
4. During the period the company has incurred Rs. 0.6 million on the proposed Public Issue of Equity Shares of the Company. Accumulated expenditure on Proposed Public Issue of Equity Shares of the Company as at date of Balance Sheet is Rs.12.89 millions, which includes Rs. 2.5 million paid on account of fees to the SEBI, and these expenses are considered as Deferred Revenue Expenditure as per Accounting Policy of the Company.
5. Last years figures have been regrouped, reclassified and rearranged whenever necessary.

Yashowardhan Promoters & Developers Pvt. Ltd.

1. Balances standing at the debit or credit in the accounts of various parties are subject to confirmation and reconciliation.
2. Interest amount debited in Profit and Loss Account is after considering Interest Received and Other Receipts.
3. Estimated amounts of contract remaining to be executed on capital account and not provided for – NIL.
4. Last years figures have been regrouped, reclassified and rearranged whenever necessary.

ReGenesis Project Management Company Pvt. Ltd

1. Balances standing at the debit or credit in the accounts of various parties are subject to confirmation and reconciliation.
2. Estimated amounts of contract remaining to be executed on capital account and not provided for – NIL.
3. The company is operating in a single segment, hence no separate segment wise information is given.

I-Ven Kolte Patil (Pune) Pvt. Ltd.

1. Balances standing at the debit or credit in the accounts of various parties are subject to confirmation and reconciliation.
2. Estimated amounts of contract remaining to be executed on capital account and not provided for – NIL.

ANNEXURE - V

SCHEDULES OF LOANS

A. Secured Loan **Rs./Millions**

	NAME OF THE LENDER	FOR THE YEAR ENDED	FOR THE PERIOD ENDED	
		31st Mar 2007	30th Jun 2006	30th Jun 2007
A)	CASH CREDIT	82.33	40.08	120.48
B)	OVERDRAFT	100.50	0.16	45.21
C)	TERM LOAN	597.39	408.56	559.92
D)	VEHICLE LOAN	17.31	12.14	15.18
	TOTAL	**797.53**	**460.94**	**740.79**

B. Unsecured Loans **Rs./Millions**

	NAME OF THE LENDER	FOR THE YEAR ENDED	FOR THE PERIOD ENDED	
		31st Mar 2007	30th Jun 2006	30th Jun 2007
A)	PERSONAL (OTHER THAN PROMOTERS)	238.54	-	314.96
B)	PROMOTERS	131.00	668.06	131.00
C)	CORPORATE BODIES	319.19	-	319.20
D)	FROM CONCERN IN WHICH COMPANY INTERESTED	4.00	4.00	4.00
E)	OTHERS	-	-	
	TOTAL	**692.73**	**672.06**	**769.16**

ANNEXURE - VI

RESTATED SCHEDULE OF LOANS & ADVANCES *Rs./Millions*

	PARTICULARS	FOR THE YEAR ENDED	FOR THE PERIOD ENDED	
		31st Mar 2007	30th Jun 2006	30th Jun 2007
A)	**ADVANCES RECEIVABLE IN CASH OR KIND OR FOR VALUE TO BE RECEIVED OUTSTANDING FOR A PERIOD EXCEEDING SIX MONTHS UNSECURED, CONSIDERED GOOD**			
	1) ADVANCE RECOVERABLE	196.68	25.43	30.56
	TOTAL A	**196.68**	**25.43**	**30.56**
B)	**OTHER LOANS AND ADVANCES UNSECURED, CONSIDERED GOOD**			
	1) ADVANCE RECOVERABLE	108.20	415.09	244.15
	TOTAL B	**108.20**	**415.09**	**244.15**
	TOTAL : (A+B)	**304.88**	**440.52**	**274.71**
	AMOUNTS DUE FROM RELATED PARTIES KOLTE PATIL ENTERPRISES	9.29	9.29	9.29

ANNEXURE - VII

RESTATED SCHEDULE OF SUNDRY DEBTORS *Rs.Millions*

	PARTICULARS	FOR THE YEAR ENDED	FOR THE PERIOD ENDED	
		31st Mar 2007	30th Jun 2006	30th Jun 2007
A)	DEBTS OUTSTANDING FOR A PERIOD EXCEEDING SIX MONTHS UNSECURED, CONSIDERED GOOD	12.76	2.64	5.54
	TOTAL	**12.76**	**2.64**	**5.54**
B)	OTHER DEBTS UNSECURED, CONSIDERED GOOD	3.93	15.71	108.50
	TOTAL	**3.93**	**15.71**	**108.50**
	TOTAL : (A+B)	**16.69**	**18.35**	**114.04**
	AMOUNT DUE FROM RELATED PARTIES	NIL	NIL	NIL

ANNEXURE - VIII

RESTATED SCHEDULE OF INVESTMENTS *Rs.Millions*

PARTICULARS	FOR THE YEAR ENDED	FOR THE PERIOD ENDED	
	31st Mar 2007	30th Jun 2006	30th Jun 2007
EQUITY SHARES			
QUOTED Shares in Vijaya Bank Equity Shares of Rs.10/- each fully paid up (Market Value as on 30.06.07 is Rs.49.80)	0.32	0.32	0.32
Sub- total	**0.32**	**0.32**	**0.32**
UNQUOTED			
Shares In Rupee Bank (*Rs.500)	*0.00	*0.00	*0.00
Corolla Realty Pvt Ltd- Preference Shares	0.55	-	0.56
Corolla Realty Pvt Ltd- Equity Shares	94.87	-	94.86
Corolla Realty Pvt Ltd- Debenture Application Money	102.77	-	102.77
I-Ven Townships (Pune) Pvt Ltd- Equity Shares	50.00	0.05	126.00
I-Ven Townships (Pune) Pvt Ltd - Preference Shares	500.00	-	500.00
I-Ven Townships (Pune) Pvt Ltd - OFC Debentures	350.05	-	350.05
OFC Debenture Application Money			
Corolla Realty Pvt Ltd-	16.37	-	16.40
I-Ven Townships (Pune) Pvt Ltd		534.44	
Sub- total	**1,114.61**	**534.49**	**1,190.64**
Capital in Partnership Firms & Joint Venture :			
Capital in Ankit Enterprises	323.84	0.03	332.36
Green Olive Venture - Capital	34.10	31.50	34.92
Other Investments			
National Saving Certificates	0.03	0.03	0.03
Principal Mutual Fund	-	0.50	-
Prudential ICICI Liquid Plan	-	50.00	-
Sub- total	**357.97**	**82.06**	**367.31**
Total	**1,472.90**	**616.87**	**1,558.27**

ANNEXURE - IX

RESTATED SCHEDULE OF CURRENT LIABILITIES AND PROVISIONS

Rs./Millions

PARTICULARS	FOR THE YEAR ENDED	FOR THE PERIOD ENDED	
	31st Mar 2007	30th Jun 2006	30th Jun 2007
Current Liabilities			
Sundry Creditors for Supply and Plot	266.63	107.78	445.44
Advances from Customers	1,571.54	1,196.25	550.76
Other Liabilities	443.85	512.02	912.92
Total - A	**2,282.02**	**1,816.05**	**1,909.12**
Provisions			
Income Tax and Service tax	248.29	6.99	255.75
TDS Payable	4.59	3.15	5.91
Sundry Creditors (exp)	29.01	10.08	17.33
Gratuity payable	1.96	-	2.45
Dividend payable	10.60	2.74	10.60
Corporate dividend tax	1.49	-	1.49
Total - B	**295.94**	**22.96**	**293.53**
Total (A+B)	**2,577.96**	**1,839.01**	**2,202.65**

ANNEXURE - X

SCHEDULE OF OTHER INCOME

Rs./Millions

PARTICULARS	FOR THE YEAR ENDED	FOR THE PERIOD ENDED	
	31st Mar 2007	30th Jun 2006	30th Jun 2007
PROFIT FROM PARTNERSHIP FIRMS	25.17	14.51	38.76
LIABILITIES AND PROVISIONS WRITTEN BACK	0.72	-	0.01
DIVIDEND FROM MUTUAL FUND AND SHARES	3.11	0.01	0.45
PROFIT ON SALE OF SHARES AND MUTUAL FUNDS	192.30	-	-
INTEREST RECEIVED	0.30	-	0.06
TOTAL OF OTHER INCOME	**221.60**	**14.52**	**39.28**
NET PROFIT BEFORE TAX	1,082.81	100.64	345.43
% OF OTHER INCOME TO NET PROFIT	20.46%	14.43%	11.37%

ANNEXURE - XI

SCHEDULE OF CONTINGENT LIABILITIES

Rs./Millions

PARTICULARS	FOR THE YEAR ENDED	FOR THE PERIOD ENDED	
	31st Mar 2007	30th Jun 2006	30th Jun 2007
On Account of income tax liability of M/s. Ankit Enterprises in which KPDL is partner	15.71	15.71	15.71
Claims against the Company not acknowledged as debts	-	-	-
Counter guarantees given to bank Corporate guarantee	-	-	-
Total	**15.71**	**15.71**	**15.71**

ANNEXURE - XII

SCHEDULE OF RATES OF DIVIDEND

The detail of dividends declared by the company is as under: ***Rs./Millions***

CLASS OF SHARES	FOR THE YEAR ENDED	FOR THE PERIOD ENDED	
	31st Mar 2007	30th Jun 2006	30th Jun 2007
EQUITY SHARE CAPITAL FOR DIVIDEND	562.50	54.76	562.50
INTERIM DIVIDEND %	10.00%	5.00%	0.00%
FINAL DIVIDEND %	5.00%	0.00%	0.00%
INTERIM DIVIDEND (AMOUNT)	5.48	2.74	-
FINAL DIVIDEND (AMOUNT)	10.59	-	-
TOTAL DIVIDEND	16.07	2.74	-
DIVIDEND TAX PAID	2.26	0.38	-

ANNEXURE – XIII

SUMMARY OF ACCOUNTING RATIOS

Sr.	PARTICULARS	FOR THE YEAR ENDED	FOR THE PERIOD ENDED	
		31st Mar 2007	30th Jun 2006	30th Jun 2007
1	Adjusted Profit to Income from Operations (%)	47.02	29.19	40.62
2	Earnings Per Share-Basic and diluted (Rs.)	22.96	17.12	6.02
3	Cash Earnings per Share	23.13	17.35	6.06
4	Net Asset Value per share (Rs.)	49.82	50.43	38.19
5	Return on Net Worth (%)	46.09	33.94	15.77
6	No. of Equity Shares (Basic)	56,250,000	5,475,563	56,250,000
7	Restated Weighted No. of Equity Shares	36,395,429	5,475,563	56,250,000

Notes:

1. **The ratios have been computed as below :**

$$\text{Adjusted profit to income from Operations (\%)} = \frac{\text{Adjusted profit before tax}}{\text{Income from operations}}$$

$$\text{Earnings Per Share (Rs.)} = \frac{\text{Adjusted Profit / (Loss) after tax but before extraordinary items}}{\text{Weighted average number of Equity shares outstanding during the year}}$$

$$\text{Cash Earnings per Share} = \frac{\text{Adjusted Profit after tax but before depreciation}}{\text{Weighted average number of Equity shares outstanding during the year}}$$

$$\text{Net Asset Value Per Share} = \frac{\text{Net Worth excluding revaluation reserve}}{\text{Weighted average number of Equity shares outstanding during the year}}$$

$$\text{Return on Net Worth (\%)} = \frac{\text{Adjusted Profit / (Loss) after tax but before extraordinary items}}{\text{Net Worth excluding revaluation reserve}}$$

2. Earnings per share is calculated in accordance with Accounting Standard 20 “Earnings Per Share” issued by the Institute of Chartered Accountants of India. In terms of Para 24 of AS 20, the number of equity shares outstanding before the issue of bonus shares is adjusted for the change in number of equity shares issued as bonus shares as if the shares were issued at the beginning of the earliest reported period.

3. The restated number of equity shares have also been adjusted to reflect the issue of 21,902,252 shares as bonus shares issued by capitalization of accumulated profit / reserves as approved by the Board in their meeting held on 08.12.2006.

4. Profit and Loss as restated has been considered for the purpose of computing the above ratios.

ANNEXURE – XIV

TAX SHELTER STATEMENT

Rs. Millions

PARTICULARS	FOR THE YEAR ENDED	FOR THE PERIOD ENDED	
	31st Mar 2007	30th Jun 2006	30th Jun 2007
Profit before tax as restated (A)	1,082.81	100.64	345.43
Tax rate	33.66%	33.66%	33.99%
Tax as per actual rate on profits	364.47	33.88	117.41
Adjustments			
Permanent Differences			
Dividend (exempt from tax)	3.11	0.01	0.45
Share of Profit from Partnership Firms U/s.10(2A)	25.17	14.51	38.76
Donation disallowed	(3.35)	-	
Gratuity	(1.96)	-	
Expenses for proposed public issue			
Prior-period items			
Deductions U/Sec 80	332.40	65.91	288.15
Fringe Benefit Tax			(0.11)
Tax on Dividend			
Total Permanent Differences (B)	**355.37**	**80.43**	**327.25**
Timing Differences			
Difference between tax depreciation and book depreciation	3.33	0.30	0.71
Disallowance U/s. 43b			(0.49)
Loss/Profit on sale of fixed asset			
Disallowance U/s. s40a(ia)			
Set off of B/f. of losses	0.12	-	-
Total Timing Differences (C)	3.45	0.30	0.22
Total Adjustments (B+C)	**358.82**	**80.73**	**327.47**
Tax Expense/(Saving) thereon	120.78	27.17	111.31
Tax Payable for the year	243.69	6.70	6.10
Tax U/s.115JB	-	-	-
Interest u/s 234B & 234C (As per Income tax return)	-	-	-
Total Tax payable	243.69	6.70	6.10

ANNEXURE – XV

CAPITALISATION STATEMENT OF THE COMPANY

Rs. Millions

Particulars	**Pre-issue as at June 30, 2007**	**Post-issue as at June 30, 2007**
Total Debts		Will be determined after finalisation of issue price
Short Term Debt		
- Term loans	15.18	
- Working capital loans	165.69	
Long Term Debt	559.92	
Total Debt – A	**740.79**	
Shareholders Fund		
Share Capital	562.50	
Capital Reserve on Consolidation	0.57	
Share Premium	524.90	
Profit & Loss Account	1,067.03	
Total Shareholders' funds – B	**2,155.00**	
Long term debt/Total shareholders' funds	**0.26**	

Notes:

1. The above have been computed on the basis of restated statement of accounts.
2. Short-term debts are debts maturing within the next one year from the date of the respective statement of accounts.
3. The above ratio has been computed on the basis of total long-term debt divided by shareholders' funds.

ANNEXURE - XVI

RELATED PARTY TRANSACTIONS

A. LIST OF RELATED PARTIES

i) Concerns in which company is partner:

1. Ankit Enterprises
2. Kolte Patil Homes

ii) Concerns in which Key Management Personnel or their relatives, exercise significant influence

Name Of The Concern

1. Patil Developers Pvt Ltd
2. Yashowardhan Promoters & Developers Pvt Ltd.
3. Regenesis Project Management Company Pvt Ltd.
4. Sylan Acres Reality Pvt Ltd
5. I-Ven Township (Pune) Pvt Ltd.
6. Kolte Patil Developers & Finance Pvt Ltd
7. Corolla Realty Pvt Ltd.
8. I-Ven Kolte Patil Projects (Pune) Pvt Ltd.
9. Kolte Patil Real Estate Pvt Ltd
10. Kolte Patil Enterprises
11. KPA Developers Pvt. Ltd

iii) Key Management Personnel

1. Mr. Patil Rajesh Aniruddha
2. Mr. Kolte Milind Digambar
3. Mr. Patil Naresh Aniruddha
4. Mr. Gurnani Harish Kumar
5. Mr. Bhagwan T Shikumar

iv) Relatives of Key Management Personnel

1. Ms. Sunita R. Patil
2. Ms. Sunita M. Kolte
3. Ms. Ankita R. Patil
4. Ms Vandana N. Patil

v) Joint Ventures

1. Green Olive Ventures (AOP)

B. Balances outstanding/transactions with related parties:

Rs.Millions

SR. NO.	PARTICULARS	FOR THE YEAR ENDED 31st Mar 2007	FOR THE PERIOD ENDED	
			30th Jun 2006	30th Jun 2007
A)	**KEY MANAGEMENT PERSONNEL AND SUBSIDIARIES**			
	Directors' Remuneration	10.46	2.62	6.12
	Debenture Application Money - Corolla Realty Pvt Ltd.	16.37	-	16.40
	OFC Debentures - Corolla Realty Pvt Ltd.	102.77	-	102.77
	Corolla Realty Pvt Ltd. - Equity Shares	94.87	-	94.87
	Debentures- I-Ven Townships (Pune) Pvt Ltd	350.05	534.44	350.05
	Equity Shares- I-Ven Townships (Pune) Pvt Ltd	50.00	0.05	50.00
	OC Debentures- W.I.Trustee & Executor Co. Ltd.	302.65	-	302.65
	Debenture Application Money - W.I.Trustee & Executor Co. Ltd.	16.54	-	16.54
	Debenture Application Money - I-Ven Townships (Pune) Pvt Ltd	-	-	76.00
	LOAN ACCEPTED FROM:			
	Mr. Rajesh Patil	152.56	132.92	-
	Mr. Naresh Patil	111.43	96.69	13.50
	Ms. Ankita Patil	163.14	127.63	-
	Mrs. Sunita R Patil	0.99	-	-
	Mrs. Vandana Patil	1.01	-	-
	Mr. Milind Kolte	514.68	311.82	117.50
	Mrs. Sunita Kolte	0.81	-	-
	LOAN GIVEN			
	Gurnani Harish Kumar	20.63	-	21.06
	Yashowardhan Promoters & Developers P Ltd.	-	14.50	-
B)	**FIRMS IN WHICH COMPANY IS PARTNER**			
	ANKIT ENTERPRISES			
	Interest Paid on Loan	2.00	1.53	0.08
	Balance Outstanding	319.84	181.70	332.33
	KOLTE PATIL HOMES			
	Balance Outstanding in Capital A/c.	(72.93)	(42.44)	(51.15)
C)	**CONCERNS IN WHICH DIRECTORS ARE INTERESTED**			
	KOLTE PATIL ENTERPRISES			
	Balance Outstanding in Loan A/c.	9.29	9.29	9.29

SR. NO.	PARTICULARS	FOR THE YEAR ENDED 31st Mar 2007	FOR THE PERIOD ENDED 30th Jun 2006	30th Jun 2007
D)	**JOINT VENTURES**			
	Green Olive Ventures	34.10	31.51	34.92
E)	**PREFERENCE SHARE CAPITAL:**			
	Corolla Realty Pvt Ltd.	0.56	-	0.56
	I-Ven Township (Pune) Pvt. Ltd.	500.00	-	500.00
F)	**EQUITY SHARE CAPITAL HELD BY KEY MANAGEMENT**			
	PERSONNEL AND RELATIVES			
	Mr. Rajesh Patil	152.66	14.41	154.86
	Mr. Naresh Patil	97.93	14.55	149.49
	Ms. Ankita Patil	163.14	-	0.01
	Mrs. Sunita R Patil	0.99	6.60	69.29
	Mrs. Vandana Patil	1.01	6.50	69.46
	Mr. Milind Kolte	397.18	6.10	64.42
	Mrs. Sunita Kolte	0.81	5.35	54.97
	Mr. Milind Kolte- Debenture Appl. Money	50.26	-	84.06
	Ms. Ankita Patil- Debenture Appl. Money	12.85	-	12.85
	Mr. Rajesh Patil- Debenture Appl. Money	-	-	42.20
G)	**BALANCES OUTSTANDING**			
	Mr. Naresh Patil- Credit Balance	13.35	0.75	0.79
	Mr. Milind Kolte- Credit Balance	115.87	0.75	0.78
	Mrs. Sunita Kolte- Credit Balance	-	0.37	1.16
	Gurnani Harish Kumar - Credit Balance	20.63	-	21.06
	I-Ven Township (Pune) Pvt. Ltd.- Debit Balance	0.18	-	0.10
	Mr. Rajesh Patil- Debit Balance/(Credit Balance)	0.39	(0.75)	(0.78)
	Ms. Ankita Patil- Debit Balance	0.14	-	-
	Olive Realty Pvt Ltd- Debit Balance	0.01	-	0.01
	Corolla Realty Pvt Ltd.- Debit Balance	0.67	-	-
H)	**EXPENDITURE INCURRED ON BEHALF OF**			
	Corolla Realty Pvt Ltd.	17.26	-	-
	I-Ven Township (Pune) Pvt. Ltd.	1.81	0.01	0.88
	Olive Realty Pvt Ltd	0.01	-	-
	Kolte Patil Homes	-	-	0.84
	Green Olive Ventures	-	-	0.02
	Ankit Enterprises	-	-	0.09

SR. NO.	PARTICULARS	FOR THE YEAR ENDED 31st Mar 2007	FOR THE PERIOD ENDED	
			30th Jun 2006	30th Jun 2007
I)	**EXPENDITURE REIMBURSED BY**			
	Corolla Realty Pvt Ltd.	17.26	-	-
	I-Ven Township (Pune) Pvt. Ltd.	0.86	-	0.76
	Kolte Patil Homes	-	-	0.76
	Ankit Enterprises	-	-	0.08
J)	**AMOUNT RECEIVED**			
	Professional Fees- I Ven Township (Pune) Pvt Ltd	0.14	-	0.04
	Brokerage Received- Rajesh Patil	0.52	-	0.47
	Brokerage Received- Milind Kolte	3.77	-	0.38
	Brokerage Received- Naresh Patil	0.27	-	-
	Brokerage Received- Ms. Ankita Patil	1.13	-	-
	Professional Fees- Corolla Realty Pvt Ltd	0.63	-	0.83
	Interest Received-Yashowardhan Promoters & Developers P Ltd.	-	0.11	-
K)	**ADVANCE GIVEN TO**			
	Ankit Enterprises	10.00	10.00	-
	Mr. Rajesh Patil	61.40	61.45	-
	Mr. Naresh Patil	45.00	35.20	-
	Mr. Milind Kolte	-	40.25	-
	Mr. Gurnani Harish	-	-	1.76
L)	**ADVANCE RECEIVED FROM**			
	Ankit Enterprises	10.00	-	-
	Mr. Rajesh Patil	61.40	-	-
	Mr. Naresh Patil	45.00	-	-

ANNEXURE - XVII

RESTATED SCHEDULE OF OTHER CURRENT ASSETS

Rs.Millions

PARTICULARS	FOR THE YEAR ENDED	FOR THE PERIOD ENDED	
	31st Mar 2007	30th Jun 2006	30th Jun 2007
Stock in trade	3,350.46	1,930.27	3,387.04
Prepaid Expenses	0.48	0.53	0.71
Purchase of FAR (Kolte Patil Enterprises)	1.95	1.95	1.95
Other Advances	225.62	101.90	251.23
Deposits	396.37	90.71	161.57
Accrued interest on fixed deposit	1.63	0.55	0.27
TOTAL	**3,976.51**	**2,125.91**	**3,802.77**

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

You should read the following discussion of our financial condition and results of operations together with our consolidated and unconsolidated audited financial statements and the reports thereon and annexures thereto, which have been restated in accordance with paragraph B(1) of Part II of Schedule II to the Companies Act and with the SEBI Guidelines, and which are all included in this Red Herring Prospectus.

Our financial statements are prepared in conformity with Indian GAAP. Indian GAAP differs in certain significant respects from IFRS, U.S. GAAP and other accounting principles and auditing standards in other countries with which prospective investors may be familiar. The degree to which the financial statements included in this Red Herring Prospectus will provide meaningful information is dependent on the reader's level of familiarity with Indian accounting practices, Indian GAAP, the Companies Act and the SEBI Guidelines. Any reliance on the financial disclosures presented in this Red Herring Prospectus by persons not familiar with these Indian practices, law and rules should be limited. We have not attempted to explain these differences or quantify their impact on the financial data included herein, and we urge you to consult your own advisors regarding such differences and their impact on the financial data herein.

OVERVIEW

We are one of the leading real estate development company in India that develops and constructs properties mainly in Pune and also in Bangalore. Pune is the eighth largest city in India with a population of approximately 4.8 million, while Bangalore is the third largest city in India with a population of approximately 6.15 million.

As of September 30, 2007,

- we have developed and constructed 25 projects, including 22 in Pune and 3 in Bangalore, covering a total of approximately 4.01 million square feet of Saleable Area,
- we are in the process of developing 28 projects, including 24 in Pune and 4 in Bangalore and
- we owned, held development rights for or had signed memoranda of understanding to acquire or develop an additional 32.88 million square feet of Land Area, (expected to generate Saleable Area of 21.58 million square feet) in and around Pune.

For three of our larger projects, we have entered into joint venture agreements with funds managed by a real estate private equity fund in India, ICICI Venture Fund Management Company Ltd ("ICICI Venture"). For these projects we have identified and acquired lands, invested equity, designed and conceptualized the projects and served as project manager and developer. Funds managed by ICICI Venture have provided equity and equity-linked financing for the projects. We have entered into a joint venture agreement with K2 Property Limited (a subsidiary of Yatra Capital Limited, a Jersey-based real estate fund) for the development of some of our residential and commercial properties. Moreover, we have reached an agreement to enter into a joint venture with Arora International Hotels ("Arora"), a UK-based hotelier, for the development of at least two hotel properties. Such relationships provide us with the ability to capitalize quickly on new and bigger opportunities, raise equity and debt and undertake large-scale development projects.

CONSOLIDATED AND UNCONSOLIDATED FINANCIAL INFORMATION

Until the commencement of Fiscal 2007, on April 1, 2006, we conducted all our operations and business through KPDL. Since the beginning of Fiscal 2007, we have formed a number of subsidiaries and entered into a number of joint ventures involving entities whose financial results and financial condition we now consolidate with our own.

Specifically:

- As of April 1, 2006, we entered into a memorandum of understanding with the Gurnani-Shivlani Group, and formed a special purpose vehicle, Yashowardhan Promoters & Developers Pvt. Ltd., of which we currently own 57.95% and the Gurnani-Shivlani Group owns the remainder, for the purpose of developing the Dew Drops project in Pune.
- As of May 15, 2006, Regenesis became a wholly owned subsidiary of KPDL. Regenesis has hired professionals from the real estate business who are experienced in the planning, procurement, implementation, funding and marketing aspects of real estate projects.
- As of May 23, 2006, we entered into an agreement with an individual investor, and formed a subsidiary, Sylvan Acres Realty Pvt. Ltd., of which we currently own 85.03% and the investor owns the remainder, for the purpose of participating in the development of an integrated township project at Jambhe-Marunji, in Pune. Sylvan Acres Realty Pvt. Ltd. has entered into a 50:50 joint venture with ICICI Ventures through a special purpose vehicle, I-Ven Township (Pune) Pvt. Ltd, for the purpose of developing the township project.

- As of October 6, 2006, we entered into a joint venture agreement with ICICI Venture, and formed a special purpose vehicle, I-Ven Kolte Patil Projects (Pune) Pvt. Ltd., of which we own 51% and ICICI Venture owns 49%, for the development of an IT park at Kharadi (Survey No.40).
- As of March 20, 2007, Kolte-Patil Real Estate Private Ltd. ("KPRE") is a 100% subsidiary of KPDL. We signed a joint venture agreement with K2 Property Limited on April 23, 2007 under which KPRE would be the joint venture entity. However, because we have not yet satisfied all of the conditions precedent under the joint venture agreement, we have not yet been able to recapitalize KPRE by issuing shares in KPRE to K2 Property Limited. After KPRE is recapitalized, we will hold 51% of KPRE and K2 Properties Limited will own 49% of KPRE. We intend to develop residential and commercial projects which are FDI-compliant in Kharadi (Survey No. 53/54), Mohammadwadi and Bavdhan through the joint venture with K2 Property Limited.
- As a result of the above, our complete business through March 31, 2006 is reflected in the unconsolidated financial statements of KPDL through that date, and our complete business since March 31, 2006 is reflected in the consolidated financial statements of KPDL and its consolidated subsidiaries since March 31, 2006. This Red Herring Prospectus includes unconsolidated financial statements of KPDL through June 30, 2007, and consolidated financial statements of KPDL and its consolidated subsidiaries for the quarter ended June 30, 2006, as of and for the year ended March 31, 2007 and for the quarter ended June 30, 2007. In this "Management's Discussion and Analysis of Financial Conditions and Results of Operations" section, unless otherwise indicated, we discuss the unconsolidated financial statements of KPDL through March 31, 2006 and the consolidated financial statements of KPDL since March 31, 2006. We believe that such financial statements are comparable from period to period, in that at all times they reflect our complete business.

In addition to the consolidated entities described above, we also participate in projects as a partner in two partnerships, Ankit Enterprises and Kolte Patil Homes, as a minority interest holder in Corolla Realty Pvt. Ltd. and as a party to a joint development agreement in a venture known as Green Olive Ventures (AOP). We do not consolidate the financial statements of any of these entities with our own financial statements. Moreover, we plan to enter into the hospitality sector through a joint venture with Arora International Hotels ("Arora"), a UK-based hotelier, for the development of at least two hotel properties. We and Arora have reached an agreement on the key terms of the joint venture and expect to fully agree on all terms of the joint venture in the near future. The joint venture is proposed to be 51% owned by us and 49% owned by Arora. We and Arora also plan to form a second joint venture to manage the operations of the hotels. The second joint venture is also proposed to be 50% owned by us and 50% owned by Arora. If and when these joint ventures are finalized, we will likely to pursue them through additional, new special purpose vehicles that we will consolidate in our financial statements going forward.

The following two tables provide a breakdown of our total income for the years ended March 31, 2007, 2006, 2005, and 2004, and a breakdown of our total income for the three-month periods ended June 30, 2007 and 2006, based on the types of projects we have undertaken.

	Unconsolidated								**Consolidated**	
	Fiscal									
	2004		**2005**		**2006**		**2007**		**2007**	
	Rs. Million	**% of Total Income**	**Rs. Million**	**% of Total Income**	**Rs. Million**	**% of Total Income**	**Rs. Million**	**% of Total Income**	**Rs. Million**	**% of Total Income**
Residential	150.31	61.45	77.76	23.78	309.23	56.11	182.84	7.27	182.84	7.24
Commercial/ IT Parks	60.60	24.78	227.61	69.61	221.90	40.28	1,400.15	55.67	1,400.15	55.46
Land Sale	-	-	-	-	-	-	710.69	28.26	710.69	28.15
Services	-	-	-	-	-	-	-	-	9.15	0.36
Other Income	33.66	13.77	21.62	6.61	19.89	3.61	221.30	8.80	221.60	8.78
Income	**244.58**	**100**	**326.98**	**100**	**551.02**	**100**	**2,514.98**	**100**	**2,524.43**	**100**

	Unconsolidated				Consolidated			
	Three Months Ended June 30,							
	2006		2007		2006		2007	
	Rs. Million	% of Total Income	Rs. Million	% of Total Income	Rs. Million	% of Total Income	Rs. Million	% of Total Income
Residential	69.55	19.34	3.12	0.35	69.55	19.36	3.12	0.35
Commercial/ IT Parks	264.17	73.48	827.00	93.04	264.17	73.53	827.00	92.96
Lease Rent	11.29	3.14	19.56	2.20	11.02	3.07	19.29	2.17
Land Sale	-	-	-	-	-	-	-	-
Services	-	-	-	-	-	-	0.96	0.10
Other Income	14.52	4.04	39.21	4.41	14.52	4.04	39.28	4.42
Income	**359.53**	**100**	**888.89**	**100**	**359.26**	**100**	**889.65**	**100**

FACTORS AFFECTING RESULTS OF OPERATIONS

Our income, expenses and results of operations depend on various factors, including the following:

- The condition and performance of the real estate market;
- General market and demographic conditions affecting the areas in which we operate;
- Laws and regulations affecting the real estate industry;
- Our ability to acquire suitable land at reasonable cost;
- Our ability to identify suitable projects;
- Our ability to execute projects in a timely and cost-effective manner;
- The availability of financing on favourable terms for ourselves and for our customers;
- Taxes payable by us and by our customers; and
- Competition within the real estate development industry.

For further details, see the sections entitled “Risk Factors” and “Industry” beginning on pages (x) and (33), respectively, of this Red Herring Prospectus.

CRITICAL ACCOUNTING POLICIES

Use of estimates

The preparation of our financial statements in conformity with Indian GAAP requires management to make estimates and assumptions. Management periodically assesses, using external and internal sources, whether there is an indication that an asset may be impaired. Contingencies are recorded when it is probable that a liability will be incurred, and the amount can be reasonably estimated. Actual results could differ from management’s estimates.

Fixed assets

The gross block of fixed assets is stated in the accounts at the purchase price of acquisition of such assets, including any attributable costs of bringing the assets to their working condition for their intended use.

Depreciation

Depreciation is provided for using the straight-line method at the rates prescribed in Schedule XIV of The Companies Act, 1956. The cost of leasehold rights is being amortised at the rate of 2% per annum considering the period of lease.

Sales of properties – completed contract method of accounting

The Company follows the completed contract method of accounting. Under this method, revenues and expenses on long-term projects are recognized in the period in which the project is completed, except for any loss, which is recognized in the year of occurrence. If a project extends over a number of accounting periods, revenue earned in a given period is recognized when possession is given to the purchaser. Amounts received from customers that do not qualify for revenue recognition under the completed contract method are accounted for as advances from customers.

As a result of our using the completed contract method of accounting, there may be significant increases and decreases in our income from period to period that would be difficult to predict from an examination of our past income, expenses and profits. This may make it more difficult than it might be in the case of other companies to discern reliable trends in our income or expenses from period to period.

Share of profit in partnership firms/ joint development arrangements/ joint ventures

The share of profit from firms in which the Company is a partner, and the share of profit or revenues (as agreed by the parties) in joint development agreements or other arrangements, are accounted for as per the annual statement of accounts of the partnership firm or joint venture. In the Company's financial statements, the Company's share of profit from partnerships, and its share of profit or revenues (as agreed by the parties) in respect of joint development arrangements, is included in other income.

Subsidiary companies

The Company also enters into arrangements where it and other parties each take portions of the shareholding of companies created for the specific purpose of their collective enterprise. In the Company's consolidated financial statements, the revenues and costs from such entities are consolidated with the revenues and costs of the Company when the entities qualify as subsidiaries of the Company. When an entity does not qualify as a subsidiary of the Company, the Company's share of the entity's net profits is accounted for as income from investments and included in other income.

Income from investments

Interest on fixed deposits is accounted for on an accrual basis. Dividends from shares and mutual funds are accounted for on a receipt basis.

Rental income

Rental income and income received from services provided are accounted for on an accrual basis. Revenue on rental receipts is included in operating income.

Cost of construction/development

Cost of construction/development incurred is charged upon project completion to the profit and loss account in proportion to the project area sold. Adjustments, if required, are made on completion of sale of the respective projects. In instances where project area is not sold, the project costs incurred are charged to inventories.

Inventories

Our inventories comprise property under construction (work-in-progress) and properties constructed that remain unsold. Work-in-progress comprises cost of land, development rights and transferable development rights, cost of construction/development and cost of materials and services and other overheads related to projects under construction and completed units that remain unsold. Inventories are reflected in our balance sheets as "stock in trade" and included in the line item "other current assets". Stock in trade represents generally the largest asset item on our balance sheet.

The inventory levels set forth in our audited and restated financial statements and the notes and schedules thereto are based on certifications as to the state of completion of projects made by Company engineers. Outside auditors do not perform tests on the state of completion of projects, the amounts of raw materials on our construction sites or other inventory amounts. The Company believes it maintains effective internal control processes for determining the state of completion of projects and checking raw materials inventories and other inventory amounts.

Investments

Long-term investments are stated at cost after providing for any diminution in value, if such diminution is of a permanent nature. Current investments are carried at the lower of cost or market value. The determination of the carrying amount of such investments is done on the basis of specific identification. Investments in joint ventures are carried at cost net of adjustments for the Company's share in profits or losses as recognized.

Borrowing costs

Borrowing costs are recognised as expenses in the period in which they are incurred and debited to the profit and loss account.

Provisions

A provision is recognized when an enterprise has a present obligation as a result of a past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are determined based on management estimates of the amounts required to settle the relevant obligations at the balance sheet date. Provisions are reviewed by management at each balance sheet date and adjusted to reflect current management estimates.

Qualification to audit opinions

In respect of their opinions on the Company's unconsolidated financial statements as of and for Fiscal 2006, 2005, 2004 and 2003, the auditors have qualified their opinions, due to the fact that the Company accounted for gratuity and leave encashment benefits to employees on a cash basis, rather than on an accrual basis as required under Indian GAAP.

RESULTS OF OPERATIONS

Income

Total income consists of operating income and other income, which are comprised of the following revenue streams:

- Income from Operations
  - Sales of residential, commercial, IT park and integrated township projects
  - Income from the renting/leasing/licensing of properties
- Other Income
  - Share of net income from partnership firms
  - Share of net income from unconsolidated joint venture companies
  - Share of revenues or net income (as agreed by the parties) from joint development arrangements
  - Short-term and long-term capital gains, compensation for the assignment/surrender of rights, dividends from mutual funds and miscellaneous income

In the future, we also expect to earn revenues from project management fees, through Regenesis and other subsidiaries. In addition, we intend for Regenesis to become an additional party sharing profits in joint arrangements to which the Company is also a party. The Company will earn its profit share as a developer and Regenesis will earn its share as a provider of specialist services and marketing expertise.

We estimate the total cost of a project prior to its commencement. Project costs are reworked periodically, particularly when there have been significant changes in market conditions, product design, costs of labour or materials or other contingencies. Adjustments are made accordingly.

Margins on the sale of a residential property vary, depending upon the location of the project, the amenities provided, the developer's reputation and other factors. Amenities have an impact on construction costs, while the location of the project affects land costs.

We often enter into agreements of sale with our customers while the project in which they are buying a unit or units is still under development. Customers wishing to buy a property are required to make an initial down payment at the time of booking and pay the remaining purchase price in installments over the construction period between the date of booking and the date on which the property is delivered to the customer.

We do not recognize revenues and expenses for a long-term project until the accounting period in which the project is completed. Losses are recognized in the period in which they become probable. This method differs from the "percentage-of-completion" method, where sales and costs are recognized each year based on the value of the work performed. Under our completed contract method of accounting, when a project is undertaken over a number of accounting periods, revenue earned in a given period may not be recognized until a subsequent period when the contract is completed. Amounts received from customers for projects which either do not qualify for revenue recognition under this method or amounts paid by customers in excess of the amounts recognizable under this method are accounted for as advances from customers and are booked as current liabilities.

Income from operation, maintenance and water charges is recognised on an accrual basis as per the terms of agreements with the lessees.

Expenditure

We account for all expenses incurred for a specific project as expenses for such project. All expenses incurred that are not specific to a particular project are accounted for separately as administrative expenses. Our expenditure consists of the following categories of expenses:

Cost of Construction/ Development

Construction and development expenses include various project expenses such as costs associated with the acquisition of land development rights, transferable development rights, IT premium, architects' fees, site development expenses, the cost of materials and contracts, payments to local authorities in connection with applications for plan approvals, project legal and professional fees, interest allocated to projects as per Accounting Standard 16 – Borrowing Costs and employee costs allocated to projects as per Accounting Standard 2 – Inventory.

Personnel Expenses

These expenses relate to both contract labourers and full-time employees. In respect of contract labourers, these include contract compensation amounts, which usually accrue on a person-per-day basis. In respect of full-time employees, these expenses include salaries, bonuses, allowances, contributions to the provident fund and other employee related funds and staff welfare expenses.

Selling, General and Administrative Expenses

Selling costs relate to the sale and lease of properties. General and administrative costs relate to expenses incurred for general administration at the corporate level that are not assignable to any specific project. These include office rent, general rates and taxes, general and employee insurance, general repairs and maintenance, travel, conveyance, printing and stationery, general legal and professional fees, audit fees, telephone, postage and courier.

Financial Expenses

Financial expenses include interest charges and loan processing charges, bank commission and charges paid by us for short-term borrowings, including working capital loans, and in respect of long-term loans.

Depreciation

Our depreciation charges relate mostly to vehicles, but also relate to fixed assets, furniture and fixtures, office equipment, air conditioners, computers, leasehold rights, buildings and construction machinery.

Profit and Loss Account

The following two tables set forth, for the periods indicated, our restated profit and loss account, both in absolute terms and with each line item represented as a percentage of total income:

	Unconsolidated								**Consolidated**	
	Fiscal									
	2004		**2005**		**2006**		**2007**		**2007**	
	Rs. Million	**% of Total Income**	**Rs. Million**	**% of Total Income**	**Rs. Million**	**% of Total Income**	**Rs. Million**	**% of Total Income**	**Rs. Million**	**% of Total Income**
Income										
Income from Operations	210.91	86.24	305.36	93.39	531.13	96.39	2,293.68	91.20	2,302.83	91.22
Other Income	33.67	13.76	21.62	6.61	19.89	3.61	221.30	8.8	221.60	8.78
Total	**244.58**	**100**	**326.98**	**100**	**551.02**	**100**	**2,514.98**	**100**	**2,524.43**	**100**
Expenditure										
Cost of Construction/ Development	116.86	47.78	167.38	51.19	291.41	52.89	1,061.14	42.20	1,014.78	40.20
Personnel Expenses	47.72	19.51	82.95	23.41	139.36	23.54	157.99	6.36	207.14	8.20
Selling, General and Administrative Expenses	21.58	8.82	30.63	11.33	59.13	12.48	170.56	6.78	157.98	6.26
Financial Expenses	7.02	2.87	14.41	4.41	24.99	4.54	39.25	1.56	55.61	2.20
Depreciation	1.31	0.54	2.07	0.63	3.35	0.61	4.72	0.18	6.11	0.24
Total	**194.49**	**79.52**	**297.44**	**90.97**	**518.24**	**94.05**	**1,433.66**	**57.08**	**1,441.62**	**57.10**

	Unconsolidated								Consolidated	
	Fiscal									
	2004		2005		2006		2007		2007	
	Rs. Million	% of Total Income	Rs. Million	% of Total Income	Rs. Million	% of Total Income	Rs. Million	% of Total Income	Rs. Million	% of Total Income
Adjusted Profit Before Tax	**50.09**	**20.47**	**29.54**	**9.03**	**32.78**	**5.95**	**1,081.32**	**42.99**	**1,082.81**	**42.89**
Provision for Taxation	0.99	0.40	5.29	1.62	4.76	0.86	246.22	9.79	247.20	9.79
Adjusted Profit After Tax	**49.10**	**20.07**	**24.25**	**7.42**	**28.02**	**5.09**	**835.10**	**33.20**	**835.61**	**33.10**

	Unconsolidated				Consolidated			
	Three Months Ended June 30,							
	2006		2007		2006		2007	
	Rs. Million	% of Total Income	Rs. Million	% of Total Income	Rs. Million	% of Total Income	Rs. Million	% of Total Income
Income from Operations	345.01	95.96	849.68	95.59	344.74	95.96	850.37	95.58
Other Income	14.52	4.04	39.21	4.41	14.52	4.04	39.28	4.42
Total	**359.53**	**100**	**888.89**	**100**	**359.26**	**100**	**889.65**	**100**
Expenditure								
Cost of Construction/ Development	182.21	50.68	460.00	51.75	182.21	50.72	434.84	48.88
Personnel Expenses	26.29	7.31	29.14	3.28	33.53	9.33	44.37	4.99
Selling, General and Administrative Expenses	44.03	12.25	43.04	4.84	35.74	9.95	45.83	5.15
Financial Expenses	5.82	1.62	12.38	1.39	5.86	1.63	17.19	1.93
Depreciation	1.03	0.29	1.55	0.17	1.28	0.36	1.99	0.22
Total	**259.38**	**72.14**	**546.11**	**61.44**	**258.62**	**71.99**	**544.22**	**61.17**
Adjusted Profit Before Tax	**100.15**	**27.86**	**342.78**	**38.56**	**100.64**	**28.01**	**345.43**	**38.83**
Provision for Taxation	6.75	1.88	5.65	0.64	6.92	1.93	6.67	0.75
Adjusted Profit After Tax	**93.40**	**25.98**	**337.13**	**37.93**	**93.72**	**26.09**	**338.76**	**38.08**

Comparison of Three Months Ended June 30, 2007 and Three Months Ended June 30, 2006

Income

On a consolidated basis, our total income increased from Rs. 359.26 million in the three months to June 30, 2006 to Rs. 889.65 million in the three months to June 30, 2007, an increase of Rs. 530.39 million, or 147.63%. This increase occurred mainly on account of an increase in the sale of IT premises for this period.

On a consolidated basis, our operating income increased from Rs. 344.74 million in the three months to June 30, 2006 to Rs 850.37 million in the three months to June 30, 2007, an increase of Rs. 505.63 million or 146.67%. This increase occurred on account of an increase in the sale of IT premises for this period.

On a consolidated basis, other income increased from Rs. 14.52 million in the three months to June 30, 2006 to Rs. 39.28 million in the three months to June 30, 2007. Other income included net profit of Rs. 38.76 million from our partnership concerns, Rs. 0.01 million of liabilities and provisions written back, dividends of Rs. 0.45 million from mutual funds and Rs. 0.06 million from interest received.

Expenditure

On a consolidated basis, our total expenditure increased by Rs. 285.60 million, from Rs. 258.62 million in the three months to June 30, 2006 to Rs. 544.22 million in the three months to June 30, 2007, an increase of 110.43%. This increase was principally due to an increase in construction and development expenses and an increase in selling, general and administrative expenses. The rate of increase in total expenditure in the three months to June 30, 2007 was less than the rate of increase in our total income for this period.

Cost of Construction/Development

On a consolidated basis, our construction and development expenses increased by Rs. 252.63 million from Rs. 182.21 million in the three months to June 30, 2006 to Rs. 434.84 million in the three months to June 30, 2007, an increase of 138.65%. This increase was principally due to an increase in the acquisition of land and development activity in the residential, commercial, IT park and integrated township sectors.

Personnel Expenses

On a consolidated basis, our personnel expenses increased by Rs. 10.84 million, from Rs. 33.53 million in the three months to June 30, 2006 to Rs. 44.37 million in the three months to June 30, 2007, an increase of 32.33%, principally due to an increase in employees from 224 as on June 30, 2006 to 381 as on June 30, 2007.

Selling, General and Administrative Expenses

On a consolidated basis, our selling, general and administrative expenses increased by Rs. 10.09 million, from Rs. 35.74 million in the three months to June 30, 2006 to Rs. 45.83 million in the three months to June 30, 2007, an increase of 28.23%. This increase was principally due to increased brokerage and commission fees resulting from higher sales during Fiscal 2007.

Financial Expenses

On a consolidated basis, our financial expenses increased by Rs. 11.33 million, from Rs. 5.86 million in the three months to June 30, 2006 to Rs. 17.19 million in the three months to June 30, 2007, an increase of 193.34%, due to an increase in term loan borrowing on a long-term basis to finance the acquisition of land and construction. A significant portion of the financing was made through a subsidiary.

Depreciation

On a consolidated basis, depreciation increased by Rs. 0.71 million from Rs. 1.28 million in the three months to June 30, 2006 to Rs. 1.99 million in the three months to June 30, 2007, an increase of 55.47%, due to an increase in capital expenditure, in particular expenditure on vehicles, furniture, fixture and office equipment.

Adjusted Profit before Tax

On a consolidated basis, our adjusted profit before tax increased by Rs. 244.79 million, from Rs. 100.64 million in the three months to June 30, 2006 to Rs. 345.43 million in the three months to June 30, 2007, an increase of 243.23%. The increase was attributable mainly to an increase in revenue, and in particular an increase in revenue relating to IT park sales.

Provision for Taxation

On a consolidated basis, our provision for taxation decreased by Rs. 0.25 million, from Rs. 6.92 million in the three months to June 30, 2006 to Rs. 6.67 million in the three months to June 30, 2007, a decrease of 3.61%. This decrease was principally on account of an increase in deductions under Section 80 IA of the I.T. Act of 1961. Our effective tax rate, based on our provision for taxation, was 6.88% in the three months to June 30, 2006 and 1.93% in the three months to June 30, 2007. The decrease in our effective tax rate was mainly on account of an increase in deductions under Section 80 IA of the I.T. Act of 1961.

Adjusted Profit after Tax

On a consolidated basis, our adjusted profit after tax increased by Rs. 245.04 million, from Rs. 93.72 million in the three months to June 30, 2006 to Rs. 338.76 million in the three months to June 30, 2007, an increase of 261.46%. The increase was a consequence of all the factors described above in respect of the three months to June 30, 2007.

Comparison of Fiscal 2007 and Fiscal 2006

Income

Our total income increased from Rs. 551.02 million in Fiscal 2006 to Rs. 2,514.98 million (unconsolidated) in Fiscal 2007, an increase of Rs. 1,963.96 million, or 356.42%, and was Rs. 2,524.43 million on a consolidated basis in Fiscal 2007. This increase occurred mainly on account of the sale of properties at Giga Space IT Park, which resulted in income of Rs. 1,063.98 million, and the sale of land for Rs. 617.69 million.

Our operating income increased by Rs. 1,762.55 million, from Rs. 531.13 million in Fiscal 2006 to Rs 2,293.68 million (unconsolidated) in Fiscal 2007, an increase of Rs. 1,762.55 million, or 331.85%, and was Rs. 2,302.83 million on a consolidated basis in Fiscal 2007. This increase occurred on account of the increase in income of Rs. 1,063.98 million due to the sale of properties at Giga Space IT Park and the sale of land for Rs. 617.69 million.

Other income increased from Rs. 19.89 million in Fiscal 2006 to Rs. 221.30 million (unconsolidated) in Fiscal 2007 and was Rs. 221.60 million on a consolidated basis in Fiscal 2007. Other income included net profit of Rs. 25.17 million from our partnership concerns in Fiscal 2007, sundry creditors written back of Rs. 0.72 million, dividends of Rs. 3.11 million from mutual funds] and shares and profit from the sale of shares of Rs. 192.30 million.

Expenditure

Our total expenditure increased by Rs. 915.42 million, from Rs. 518.24 million in Fiscal 2006 to Rs. 1,433.66 million (unconsolidated) in Fiscal 2007, an increase of 176.64% and was Rs. 1,441.62 million on a consolidated basis in Fiscal 2007. This increase was principally due to an increase in construction and development expenses and an increase in selling, general and administrative expenses. The rate of increase in total expenditure for Fiscal 2007 was less than the rate of increase in our total income for this period because selling prices for IT park projects, in particular, increased due to a buoyant real estate market in India.

Cost of Construction/Development

Our construction and development expenses increased by Rs. 769.73 million, from Rs. 291.41 million in Fiscal 2006 to Rs. 1,061.14 million (unconsolidated) in Fiscal 2007, an increase of 264.14% and was Rs. 1,014.78 million on a consolidated basis in Fiscal 2007. This increase was principally due to an increase in the acquisition of land and development activity in the residential, commercial, IT park and integrated township sectors.

Personnel Expenses

Our personnel expenses increased by Rs. 18.63 million, from Rs. 139.36 million in Fiscal 2006 to Rs. 157.99 million (unconsolidated) in Fiscal 2007, an increase of 13.37%, principally due to an increase in employees from 171 as on March 31, 2006 to 321 as on March 31, 2007. Our personnel expenses were Rs. 207.14 million on a consolidated basis in Fiscal 2007.

Selling, General and Administrative Expenses

Our selling, general and administrative expenses increased by Rs. 111.43 million, from Rs. 59.13 million in Fiscal 2006 to Rs. 170.56 million (unconsolidated) in Fiscal 2007, an increase of 188.45%. This increase was principally due to increased brokerage and commission fees resulting from higher sales during Fiscal 2007. These expenses were Rs. 157.98 million on a consolidated basis in Fiscal 2007.

Financial Expenses

Our financial expenses increased by Rs. 14.26 million, from Rs. 24.99 million in Fiscal 2006 to Rs. 39.25 million (unconsolidated) in Fiscal 2007, an increase of 57.06%, principally due to an increase in term loan borrowing on a long-term basis to finance the acquisition of land and construction. A significant portion of the financing was made through a subsidiary. These expenses were Rs. 55.61 million on a consolidated basis in Fiscal 2007.

Depreciation

Depreciation increased by Rs. 1.37 million, from Rs. 3.35 million in Fiscal 2006 to Rs. 4.72 million (unconsolidated) in Fiscal 2007, an increase of 40.90%, due to an increase in capital expenditure, in particular expenditure on vehicles, furniture, fixtures and office equipment. On a consolidated basis, depreciation was Rs. 6.11 million.

Adjusted Profit before Tax

Our adjusted profit before tax increased by Rs. 1,048.54 million, from Rs. 32.78 million in Fiscal 2006 to Rs.1,081.32 million (unconsolidated) in Fiscal 2007, an increase of 3,198.72%. On a consolidated basis, adjusted profit before tax was Rs. 1,082.81 million in Fiscal 2007. The increase is attributable mainly to an increase in revenue, and in particular an increase in revenue relating to IT park sales.

Provision for Taxation

Our provision for taxation increased by Rs. 241.46 million, from Rs. 4.76 million in Fiscal 2006 to Rs. 246.22 million (unconsolidated) in Fiscal 2007, an increase of 5,072.69%. Our provision for taxation was Rs. 247.20 million on a consolidated basis in Fiscal 2007. The increase was principally on account of increased adjusted profit before tax. Our effective tax rate, based on our provision for taxation, was 14.52% in Fiscal 2006, 22.77% on an unconsolidated basis in Fiscal 2007 and 22.83% on a consolidated basis in Fiscal 2007. The increase in our effective tax rate was mainly on account of a substantial rise in taxable profit in Fiscal 2007.

Adjusted Profit after Tax

Our adjusted profit after tax increased by Rs. 807.08 million, from Rs. 28.02 million in Fiscal 2006 to Rs. 835.10 million (unconsolidated) in Fiscal 2007, an increase of 2,880.37%. Our adjusted profit after tax was Rs. 835.61 million on a consolidated basis in Fiscal 2007. The increase was a consequence of all the factors described above in respect of Fiscal 2007.

Comparison of Fiscal 2006 and Fiscal 2005

Income

Our total income increased from Rs. 326.98 million in Fiscal 2005 to Rs. 551.02 million in Fiscal 2006, an increase of 68.52%.

Our operating income increased by Rs. 225.77 million, from Rs. 305.36 million in Fiscal 2005 to Rs 531.13 million in Fiscal 2006, an increase of 73.94%. This increase occurred on account of increases in sales area sold and in the rates per square feet that the Company could charge.

Other income decreased from Rs. 21.62 million in Fiscal 2005 to Rs. 19.89 million in Fiscal 2006 due to a decrease in income from our partnership firms.

Expenditure

Our total expenditure increased by Rs. 220.80 million, from Rs. 297.44 million in Fiscal 2005 to Rs. 518.24 million in Fiscal 2006, an increase of 74.23%. This increase was principally due to increases in construction and development expenses, personnel expenses and selling, general and administrative expenses generally corresponding to an increase in construction and sales.

Cost of Construction/Development

Our construction and development expenses increased by Rs. 124.03 million, from Rs. 167.38 million in Fiscal 2005 to Rs. 291.41 million in Fiscal 2006, an increase of 74.10%. This increase was principally due to an increase in the acquisition of land and development activity for residential, commercial, IT Park and integrated township projects.

Personnel Expenses

Our personnel expenses increased by Rs. 56.41 million, from Rs. 82.95 million in Fiscal 2005 to Rs. 139.36 million in Fiscal 2006, an increase of 68.00%, due to an increase in employee strength from 139 in Fiscal 2005 to 171 in Fiscal 2006.

Selling, General and Administrative Expenses

Our selling, general and administrative expenses increased by Rs. 28.50 million, from Rs. 30.63 million in Fiscal 2005 to Rs. 59.13 million in Fiscal 2006, an increase of 93.05%. This increase was principally due to an increase in brokerage fees and office expenses.

Financial Expenses

Our financial expenses increased by Rs. 10.58 million, from Rs. 14.41 million in Fiscal 2005 to Rs. 24.99 million in Fiscal 2006, an increase of 73.42%, due to an increase in long-term borrowings for the Giga Space IT Park.

Depreciation

Depreciation increased by Rs. 1.28 million, from Rs. 2.07 million in Fiscal 2005 to Rs. 3.35 million in Fiscal 2006, an increase of 61.84%, due to an increase in capital expenditure, in particular expenditure on vehicles.

Adjusted Profit before Tax

Our adjusted profit before tax increased by Rs. 3.24 million, from Rs. 29.54 million in Fiscal 2005 to Rs. 32.78 million in Fiscal 2006, an increase of 10.97%.

Provision for Taxation

Our provision for taxation decreased by Rs. 0.53 million, from Rs. 5.29 million in Fiscal 2005 to Rs. 4.76 million in Fiscal 2006, a decrease of 10.02%. This decrease was principally on account of the inclusion in Fiscal 2005 of Rs. 1.36 million paid in respect of tax for the previous Fiscal year, tax of Rs. 3.85 million deducted at source by a licensee, the advance payment of taxes in Fiscal 2005 and depreciation written back during Fiscal 2006. In addition, our legal rate of tax decreased from Fiscal 2005 to Fiscal 2006, from 36.59% to 33.66%. Our effective tax rate, based on our provision for taxation, was 17.90% in Fiscal 2005 and was 14.52% in Fiscal 2006.

Adjusted Profit after Tax

Our adjusted profit after tax increased by Rs. 3.77 million from Rs. 24.25 million in Fiscal 2005 to Rs. 28.02 million in Fiscal 2006, an increase of 15.55%.

Comparison of Fiscal 2005 and Fiscal 2004

Income

Our total income increased from Rs. 244.58 million in Fiscal 2004 to Rs. 326.98 million in Fiscal 2005, an increase of 33.7%, due to the sale of City Mall and City Tower.

Our operating income increased by Rs. 94.45 million, from Rs. 210.91 million in Fiscal 2004 to Rs 305.36 million in Fiscal 2005, an increase of 44.78%. This increase occurred on account of the sale of City Mall and City Tower.

Other income decreased from Rs. 33.66 million in Fiscal 2004 to Rs. 21.62 million in Fiscal 2005, due to an decrease in income from our partnership firms.

Expenditure

Our total expenditure increased by Rs. 102.95 million, from Rs. 194.49 million in Fiscal 2004 to Rs. 297.44 million in Fiscal 2005, an increase of 52.93%. This increase was principally due to an increase in construction and development expenses and an increase in personnel expenses.

Cost of Construction/ Development

Our construction and development expenses increased by Rs. 50.52 million, from Rs. 116.86 million in Fiscal 2004 to Rs. 167.38 million in Fiscal 2005, an increase of 43.23%. This increase was principally due to an increase in the acquisition of land and development activity in connection with residential, commercial, IT park and integrated township projects.

Personnel Expenses

Our personnel expenses increased by Rs. 35.23 million, from Rs. 47.72 million in Fiscal 2004 to Rs. 82.95 million in Fiscal 2005, an increase of 73.83%, due to an increase in employee strength from 123 in Fiscal 2004 to 139 in Fiscal 2005.

Selling, General and Administrative Expenses

Our selling, general and administrative expenses increased by Rs. 9.05 million, from Rs. 21.58 million in Fiscal 2004 to Rs. 30.63 million in Fiscal 2005, an increase of 41.94%. This increase was principally due to an increase in brokerage, advertising and general administrative expenses.

Financial Expenses

Our financial expenses increased by Rs. 7.39 million, from Rs. 7.02 million in Fiscal 2004 to Rs. 14.41 million in Fiscal 2005, an increase of 105.27%, due to an increase in long-term borrowings.

Depreciation

Depreciation increased by Rs. 0.76 million, from Rs. 1.31 million in Fiscal 2004 to Rs. 2.07 million in Fiscal 2005, an increase of 58.02%, due to an increase in capital expenditure, in particular expenditure on vehicles.

Adjusted Profit before Tax

Our adjusted profit before tax decreased by Rs. 20.54 million, from Rs. 50.08 million in Fiscal 2004 to Rs. 29.54 million in Fiscal 2005. This decrease was due to a decrease in profits from partnership firms and an increase in expenditures generally.

Provision for Taxation

Our provision for taxation increased by Rs. 4.30 million, from Rs. 0.99 million in Fiscal 2004 to Rs. 5.29 million in Fiscal 2005, an increase of 434.34%. This increase is principally on account of payment of taxes in advance and the inclusion of tax deduction at source of Rs. 3.85 million by a licensee in the previous Fiscal year. Our effective tax rate, based on our provisions for taxation, was 1.98% in Fiscal 2004 and was 17.90% in Fiscal 2005.

Profit after Tax

Our adjusted profit after tax decreased by Rs. 24.84 million, from Rs. 49.10 million in Fiscal 2004 to Rs. 24.25 million in Fiscal 2005, a decrease of 50.60%.

LIQUIDITY AND CAPITAL RESOURCES

Cash Flows

The following two tables summarize, for the periods indicated, our restated cash flows.

	Unconsolidated				Consolidated
	Fiscal				
	2004	2005	2006	2007	2007
	(Rs. million)				
Net cash from / (used) in operating activities	(147.05)	(6.82)	(163.12)	470.13	(523.27)
Net cash from / (used) in investing activities	20.27	(10.99)	(289.96)	(1,381.24)	(984.83)
Net cash from / (used) in financing activities	134.10	16.36	461.74	897.46	1,522.76
Net increase / (decrease) in cash and cash equivalents	7.32	(1.45)	8.66	(13.65)	14.66

	Unconsolidated		Consolidated	
	Three Months Ended June 30,			
	2006	2007	2006	2007
	(Rs. million)			
Net cash from / (used) in operating activities	(121.72)	56.53	(134.67)	46.16
Net cash from / (used) in investing activities	(303.31)	17.31	(284.09)	(55.28)
Net cash from / (used) in financing activities	404.86	(59.34)	406.24	2.51
Net increase / (decrease) in cash and cash equivalents	(20.17)	14.50	(12.52)	(6.61)

We had a net cash inflow from operating activities of Rs. 46.16 million in the three months to June 30, 2007 (consolidated). This compared to a new cash outflow from operating activities of Rs. 134.67 million in the three months to June 30, 2006 (consolidated). This change was principally the result of an increase in the profitability of the Company. Our net cash used in operating activities in Fiscal 2007 was Rs. 523.27 million (consolidated) and Rs. 470.13 million (unconsolidated). In Fiscal 2006 our net cash used in operating activities was Rs. 163.12 million, and in Fiscal 2005 our net cash used in operating activities was Rs. 6.82 million. The increases in net cash outflow from operations over these years were due to increases in construction activity.

Net cash from or used in investing activities reflects the purchase of fixed assets, including plant and equipment, used in our construction and manufacturing business, offset by disposals of the same types of fixed assets, sales of investments and interest received. Our net cash used in investing activities in the three months to June 30, 2007 was Rs. 55.28 million (consolidated), and in the three months to June 30, 2006 was Rs. 284.09 million (consolidated). Our net cash used in investing activities in Fiscal 2007 was Rs. 984.83 million (consolidated) and Rs. 1381.24 million (unconsolidated). Net cash from investing activities was Rs. 289.96 million in Fiscal 2006. Net cash used in investing activities was Rs. 10.99 million in Fiscal 2005. These changes from period to period reflect changes in the outflow of investments to and the inflow of income from (in respect of our unconsolidated cash flows) our subsidiaries and (in respect of both our consolidated and unconsolidated cash flows) our partnership firms, joint development arrangements and joint ventures.

Our net cash from financing activities in the three months to June 30, 2007 was Rs. 2.51 million (consolidated) and in the three months to June 30, 2006 was Rs. 406.24 million (consolidated). Our net cash from financing activities was Rs. 1,522.76 million (consolidated) and Rs. 897.46 million (unconsolidated) in Fiscal 2007, Rs. 461.74 million in Fiscal 2006 and Rs. 16.36 in million Fiscal 2005. The variations in net cash used in financing activities principally reflect changes in our borrowings, including increases in unsecured loans, the payment of dividends and increases in provisions for dividend taxes.

Assets and Liabilities

The following table summarizes, as at the dates indicated, our balance sheet items:

	Unconsolidated				Consolidated	
	March 31,					June 30,
	2004	2005	2006	2007	2007	2007
	(Rs. million)					
Fixed Assets, Net Block	9.99	18.61	33.07	64.93	80.57	87.77
Investments	6.76	27.52	329.40	1,886.16	1,472.90	1,558.27
Other Current Assets	927.41	1,210.12	1,828.62	2,991.07	3,976.51	3,802.77
Sundry Debtors	6.89	6.55	4.29	11.96	16.69	114.04
Cash and Bank Balances	9.63	8.18	16.84	3.19	31.50	24.89
Loans and Advances	22.14	22.21	145.01	393.02	304.88	274.71
Total Assets	**982.82**	**1,293.19**	**2,357.23**	**5,350.33**	**5,883.05**	**5,862.45**
Secured Loans	183.93	204.70	284.93	724.98	797.53	740.79
Unsecured Loans	14.00	24.00	433.62	135.00	692.73	769.16
Deferred Tax Liabilities	0.00	0.00	0.53	1.32	1.65	1.72
Current Liabilities	642.56	897.17	1,441.82	2,398.13	2,282.02	1,909.12
Provisions	6.21	6.92	11.03	288.41	295.94	293.53
Total Liabilities and Provisions	**846.70**	**1,132.79**	**2,171.93**	**3,547.84**	**4,069.87**	**3,714.32**
Share Capital	54.76	54.76	54.76	562.50	562.50	562.50
Reserve and Surplus	81.39	105.64	130.54	1,244.13	1,245.09	1,583.84
Minority Interest	0.00	0.00	0.00	0.00	10.81	10.82
Less: Miscellaneous Expenditure	(0.03)	0.00	0.00	4.14	5.22	9.03
Net Worth	**136.12**	**160.40**	**185.30**	**1,802.49**	**1,813.18**	**2,148.13**

Current Assets, Current Liabilities

Our other current assets line item includes predominantly our stock in trade. Stock in trade consists principally of the inventories of land and building materials that we have acquired to use in constructing new projects and the value of the land and building materials that have already been used in projects that we have commenced but not yet completed. Our other current assets increased by Rs. 2,147.89 million, or 117.46%, from Rs. 1,828.62 million at the end of Fiscal 2006 to Rs. 3,976.51 million (consolidated) at the end of Fiscal 2007, principally due to increases in stock in trade, reflecting preparation for and work on new projects. Our other current assets decreased by Rs. 173.74 million, or 4.37%, from Rs. 3,976.51 million (consolidated) at the end of Fiscal 2007 to Rs. 3,802.77 million (consolidated) at June 30, 2007, principally due to a reduction in the amounts we had on deposit with banks and in earnest money deposits. Other current assets increased by Rs. 618.50 million from Rs. 1,210.12 million at the end of Fiscal 2005 to Rs. 1,828.62 million at the end of Fiscal 2006, mainly due to increases in stock in trade, reflecting work on new projects. As of June 30, 2007, we had projects under development that are intended to generate over 17.80 million square feet of Saleable Area, while, in comparison, in the periods prior to March 31, 2007 we had completed the development of projects with under 4 million square feet of Saleable Area.

Our current liabilities were Rs. 1,909.12 million (consolidated), Rs. 2,282.02 million (consolidated), Rs. 1,441.82, Rs. 897.17 million and Rs. 642.56 million as of June 30, 2007 and March 31, 2007, 2006, 2005 and 2004, respectively. Our current liabilities include sundry creditors, advances from customers, security deposits received and other liabilities. Advances from customers totaled Rs. 550.76 million (consolidated) as of June 30, 2007, Rs. 1,571.54 million (consolidated) as of March 31, 2007, and Rs. 1,114.89 million, Rs. 696.38 million and Rs. 487.40 million at March 31, 2006, 2005 and 2004, respectively. Advances from customers have decreased because advances on projects that were completed during this period are now recognized as sales and the Company has also returned certain advances to customers due to cancellations of bookings. These developments were only partially offset by new advance booked during this period. No penalties or interest have been paid.

Some of our secured loans and all of our unsecured loans are short-term obligations. See the discussion below under "Loans".

Investments

Investments represent principally equity shares held in companies engaged in related activities. Our total investments were Rs. 1,558.27 million (consolidated), Rs. 1,472.90 million (consolidated), Rs. 329.40 million, Rs. 27.52 million, and Rs. 6.76 million as of June 30, 2007 and March 31, 2007, 2006, 2005 and 2004, respectively. Our total investments increased by Rs. 1556.76 million, or 472.60%, from Fiscal 2006 to Fiscal 2007, principally due to an increase in our total minority interests in new projects, in particular the Corolla Realty joint venture that we formed with ICICI Venture and Mr. Ishwar Goyal, and the investment we are making through Sylvan Acres Realty Pvt. Ltd. in I-Ven Township (Pune) Pvt. Ltd, in which the other partner is ICICI Venture. The increase in investments from March 31, 2007 to June 30, 2007 represents an increase in investments, primarily our investment of Rs. 76 million made through Sylvan Acres Realty Pvt. Ltd. in I-Ven Township (Pune) Ptv. Ltd.

Fixed Assets

Our fixed assets net of depreciation were Rs. 87.77 million (consolidated), Rs. 80.57 million (consolidated), Rs. 33.07 million, Rs. 18.61 million and Rs. 9.99 million as of June 30, 2007 and March 31, 2007, 2006, 2005, and 2004, respectively. Our fixed assets include office premises, machinery such as construction machinery, office equipment, computers, furniture, fixtures and motor vehicles.

Loans

Our total secured loans were Rs. 740.79 million (consolidated), Rs. 797.53 million (consolidated), Rs. 284.93 million, Rs.204.70 million and Rs. 183.93 million as of June 30, 2007 and March 31, 2007, 2006, 2005, and 2004, respectively. Secured loans are comprised of long-term and short-term obligations. Our total secured loans increased by Rs. 440.05 million, or 154.44%, from Fiscal 2006 to Fiscal 2007, due to an increase in construction borrowing for Giga Space IT Park and a loan secured by rental income from a property in Giga Space IT Park that the Company has retained rather than sold.

Our total unsecured loans were Rs. 769.16 million (consolidated), Rs. 692.73 million (consolidated), Rs. 433.62 million, Rs. 24.00 million and Rs. 14.00 million as of June 30, 2007 and March 31, 2007, 2006, 2005 and 2004, respectively. Unsecured loans are comprised of short-term obligations.

Our total financial indebtedness as of June 30, 2007 was Rs. 1,509.95 million on a consolidated basis and Rs. 813.02 million on an unconsolidated basis. Our consolidated financial indebtedness was higher than our unconsolidated financial indebtedness due to secured debt being incurred at the level of our subsidiaries, principally by Sylvan Acres and Yashowardhan. Our consolidated financial indebtedness is broken down as follows:

Type of Indebtedness	Secured or Unsecured	Collateral	Outstanding Amount (Rs. million)	Range of Interest Rates	Short- or Long-Term
Cash credit & Overdrafts	Secured	Work-in-progress	165.69	12% - 14%	Short-term
Term loans	Secured	Mortgages of land	559.92	10.5-13.75%	Long-term
Vehicle loans	Secured	Acquired vehicles	15.18	6-9%	Long-term
Personal loans and loans from promoters and corporate bodies	Unsecured	-	765.16	-	Long-term
Loans from Ankit Enterprises	Unsecured	-	4.00	14%	Long-term
Total	Unsecured	NA	1,509.95	NA	NA

Provisions

Our total provisions were Rs. 293.53 million (consolidated), Rs. 295.94 million (consolidated), Rs. 11.03 million, Rs. 6.92 million, and Rs. 6.21 million as of June 30, 2007 and March 31, 2007, 2006, 2005, and 2004, respectively. These provisions cover principally proposed dividends, provisions for taxation and provisions for expenses.

Capital Expenditure

The Company intends to continue to purchase development rights and land and to develop projects at a generally increasing rate. The Company intends to finance the purchase of development rights and land principally through the use of net proceeds from this Issue and to finance its construction activities from the balance of net Issue proceeds and from long-term debt.

CONTINGENT OBLIGATIONS

As of Fiscal 2007, 2006, 2005 and 2004, we had contingent obligations not provided for in the following amounts:

	Unconsolidated				Consolidated
	Fiscal				
Contingent liabilities not provided for	**2004**	**2005**	**2006**	**2007**	**2007**
	(Rs. Million)				
Claims against the Company not acknowledged as debts	-	-	-	-	-
Our share of income tax liability of Ankit Enterprises	-	-	9.59	15.71	15.71

	Unconsolidated		Consolidated	
	Three Months Ended June 30,			
Contingent liabilities not provided for	**2006**	**2007**	**2006**	**2007**
	(Rs. Million)			
Claims against the Company not acknowledged as debts	-	-	-	-
Our share of income tax liability of Ankit Enterprises	15.71	15.71	15.71	15.71

ANALYSIS OF CERTAIN CHANGES

Unusual or infrequent events or transactions

There have been no transactions or events, to our knowledge, which would be considered “unusual” or “infrequent”.

Significant economic changes

The growth of the Indian economy and the growth of the Indian middle class coupled with low interest rates on housing loans and favourable tax treatment of these loans has contributed to increased demand for housing units, as well as an increase in consumerism, thus creating a higher demand for shopping malls and multiplexes. However, the recent rising trend in interest rates could discourage consumers from taking loans for acquiring real estate.

Known trends or uncertainties

Our business has been affected, and we expect will continue to be affected, by the trends identified above in “Factors Affecting Results of Operations” on page 177 of this Red Herring Prospectus and the uncertainties described in the section entitled “Risk Factors” on page (x) of this Red Herring Prospectus. To our knowledge, except as we have described in this Red Herring Prospectus, there are no known factors which we expect to have a material adverse impact on our revenues or income from continuing operations.

Future relationship between costs and income

Except as we have described in “Factors Affecting Our Results of Operations” on page 177 of this Red Herring Prospectus, in the section entitled “Risk Factors” on page (x) of this Red Herring Prospectus and in the section entitled “Business” on page 38 of this Red Herring Prospectus, there are no known factors that we expect to have a material adverse impact on our revenues or income from continuing operations and to our knowledge there are no known factors, except as aforesaid, that will have a material adverse impact on our operations and profitability.

Increase in our income

In addition to the acquisition of suitable land reserves at reasonable costs over time, the introduction of new products in the ordinary course of business, as contemplated in the section entitled “Business” on page 38 of this Red Herring Prospectus, would also be expected to contribute to increases in our revenue.

Status of publicly announced new products or business segments

We have planned to develop a serviced apartment complex, which represents a new type of property development for us. That development is in its early stages.

Total turnover in each major industry segment

We do not report industry segments for our unconsolidated financial statements prepared in accordance with Indian GAAP, since the Company is primarily engaged in the business of real estate development and construction and therefore Segment Reporting as defined in Accounting Standard 17 does not apply to us.

Seasonality in business

Our business is not seasonal. However, there could be a variation in our quarterly income or adjusted profit after tax because of various factors, including those discussed above in "Factors Affecting Our Results of Operations" on page 177 of this Red Herring Prospectus and those described in the section entitled "Risk Factors" on page (x) of this Red Herring Prospectus.

Dependence on institutional partnership

Our relationship with ICICI Venture provides us with the ability to capitalize quickly on new and bigger opportunities, raise substantial finance and undertake large-scale development projects.

Competitive conditions

We expect competition to intensify due to, among other things, the entry of new participants, as described above in the section entitled "Factors Affecting Our Results of Operations" on page 177 of this Red Herring Prospectus, in the section entitled "Risk Factors" on page (x) of this Red Herring Prospectus and in the section entitled "Business" on page 38 of this Red Herring Prospectus, that could result in downward pressures on our margins.

Transactions with Associate Companies or Related Parties

Our business model involves entering into certain related party transactions. Please see the description of "Consolidated Financial Statements - Related Party Transactions" on page 148 of this Red Herring Prospectus and the issues described in the section entitled "Risk Factors" on page (x) of this Red Herring Prospectus.

Material Developments

In the opinion of the Board of our Company, there have not arisen, since the date of the last financial statements included in this Red Herring Prospectus, any circumstances that materially and adversely affect the profitability or the value of our assets or our ability to pay our liabilities within the next 12 months.

SIGNIFICANT DEVELOPMENTS AFTER JUNE 30, 2007 THAT MAY AFFECT FUTURE OPERATIONS

- As of March 20, 2007, Kolte-Patil Real Estate Private Ltd. ("KPRE") is a 100% subsidiary of KPDL. We signed a joint venture agreement with K2 Property Limited on April 23, 2007 under which KPRE would be the joint venture entity. However, because we have not yet satisfied all of the conditions precedent under the joint venture agreement, we have not yet been able to recapitalize KPRE by issuing shares in KPRE to K2 Property Limited. After KPRE is recapitalized, we will hold 51% of KPRE and K2 Properties Limited will own 49% of KPRE. We intend to develop residential and commercial projects which are FDI-compliant in Kharadi (Survey No. 53/54), Mohammadwadi and Bavdhan through the joint venture with K2 Property Limited.

- Moreover, we plan to enter into the hospitality sector through a joint venture with Arora International Hotels ("Arora"), a UK-based hotelier, for the development of at least two hotel properties. On September 7, 2007, the Company and Arora signed a term sheet outlining the key terms for developing the land situated at Nagar Road, Pune and Hosur Road, Bangalore as two hotels or any other use permissible under the local development regulations (the "Hotel Projects"). The final plans for the Hotel Projects are to be mutually agreed by the parties.

  The Hotel Projects are to be developed through an SPV. The Company would hold development rights and an irrevocable power of attorney from the owner of the said lands has a clear and marketable title thereto free from encumbrances. The rights of the Company are to be transferred to the SPV at cost.

  The SPV is proposed to be 51% owned by the Company and 49% owned by Arora. The parties have agreed to provide jointly, any corporate guarantees and/or personal guarantees required for availing debt finance for the Hotel Projects. The Hotel Projects will be managed jointly by a Committee consisting of representatives of the parties and will be co-branded to reflect both the Company's and Arora's brands.

The parties have also agreed to incorporate a hotel management company on certain broad terms as agreed in the term sheet. The hotel management company would be board managed by a board of 4 directors, with 2 nominated by each party. The Company will have the right to nominate the chairman of the board. The hotel management company is proposed to be 50% owned by the Company and 50% owned by Arora. The term sheet is only an understanding between the parties to be formalized in pursuance of the terms contained in the term sheet.

- In the opinion of the Board of our Company, there have not arisen any other significant developments since June 30, 2007 that may affect future operations.

SECTION VI: LEGAL AND OTHER INFORMATION

OUTSTANDING LITIGATIONS, MATERIAL DEVELOPMENTS AND OTHER DISCLOSURES

Except as described below, there are no outstanding or pending litigation, suit, criminal or civil prosecution, proceeding or tax liabilities against our Company, our Directors, our Subsidiaries, our Promoter or our Promoter Group Companies that would have a material adverse effect on our business and there are no defaults, non payment or overdue of statutory dues, institutional/ bank dues or dues payable to holders of debentures, bonds and fixed deposits and arrears of preference shares, defaults in creation of full security as per terms of issue/other liabilities, proceedings initiated for economic/civil/any other offences (including past cases where penalties may or may not have been awarded and irrespective of whether they are specified under paragraph (I) of Part 1 of Schedule XIII of the Act) other than unclaimed liabilities of the Company, and no disciplinary action has been taken by SEBI or any stock exchanges against the Company, its subsidiary, its Promoters or Directors. There are no contingent liabilities against our Company except as mentioned in section titled Risk Factors beginning on page (x) of this Red Herring Prospectus.

1. CASES FILED AGAINST THE COMPANY

Special Civil Suit No. 1091 of 2000:

This suit was filed in the Court of the Civil Judge (Senior Division), Pune by Mr Gajanan Narayanan Mulik and others (Plaintiffs) against Our Company, Patil Developers Limited (PDL) and others (Defendants).

In consideration of an agreed sum the Plaintiffs entered into an agreement with the defendants on September 10, 1996 for developing the property situated at Kalyani Nagar and jointly promoting ownership schemes in the developed property. The consideration was to be paid in a certain manner as per the abovementioned agreement. The Plaintiffs allege that the Defendants have defaulted in paying them the consideration for the development rights and have hence prayed for damages amounting to Rs 157,396,600. An application for interim injunction was rejected.

Suits for Specific performance:

Special Civil Suit No. 576 of 1996:

This suit was filed in the Court of the Civil Judge (Senior Division), Pune by Captain Parminder Singh Awartarsingh Chandiok (Plaintiff) against Mr Prakash Girme, Mrs Vimal Mali, Mrs Suman Raut (Defendant No 1to 3) and 9 others in relation to the property situated at Wanawadi Pune. Our Company is Defendant number 12.

Defendants 1-3 are co owners along with Defendants 4-11 in the disputed property. Defendants 1-3 entered into an agreement for sale with the plaintiff to sell their share in the property. In the mean time Defendants 1-11 sold their property to Our Company. After Our Company commenced construction on the property, the Plaintiff has filed a suit for specific performance against Defendant No 1-3 and for an injunction restraining Our Company from changing the present status of the property and creating any third party interests. An application for Interim Injunction was rejected.

Special Civil Suit No 168 of 2001:

This suit was filed in the Court of the Civil Judge (Senior Division), Pune by Mr Shrikant Annarao Mirji (Plaintiffs) against Our Company and others (Defendants) in relation to an agreement to sell dated January 11, 1993 for flat No. 6 (later Flat No.8) in Green Fields II (Kothrud).

The Plaintiff has alleged that he had approached Life Insurance Corporation (‘LIC’) for a loan to purchase the flat. According to the Plaintiff, LIC refused to sanction the loan because the said flat was already occupied, and re – numbered as Flat No 8 as a result of the revision of building plans. LIC refused to sanction the loan amount unless a Deed of Correction was entered into for making amendments to the flat numbers. The Plaintiff alleged that the Defendants delayed in amending the agreement to sell as a result of which LIC could not sanction the Loan and instead issued a notice to the Plaintiffs on November 29, 1995 for canceling the said agreement for failure to pay the consideration. The Defendants have entered into a Deed of Confirmation dated March 25, 2000 for the sale of the abovementioned flat to third parties. The Plaintiff has claimed the relief of specific performance or damages to the tune of Rs 639,300 in the alternative. An application for interim injunction was rejected.

Special Civil Suit No. 306/1995

This suit was filed in the Court of the Civil Judge (Senior Division), Pune by Mr Pravin Bansilal Raisoni and others against Mr Harilal Nanabhai Suratwala and others including Oour Company as Defendant No 7).

This suit is in relation to the property situated at Undri, Pune.

The Plaintiff allege that the Defendants 1-6 had previously entered into a verbal agreement to sell the property to the Plaintiffs on December 28, 1994 and subsequently by a written agreement, the Defendants No 1 – 6 sold their right in this property to Our Company. Hence the Plaintiffs have filed this suit against Defendants 1-6 for specific performance and alternatively prayed for damages of Rs 17,220,000. An application for interim injunction was rejected.

Suits for encroachment:

Special Civil Suit No 604 of 1999

This suit was filed in the Court of the Civil Judge (Junior Division), Pune by Mr Sunil Punekar (Plaintiff) against Our Company and others (Defendants).

This suit is in relation to the property situated at Undri, Pune.

The Plaintiff has alleged that the Company whilst developing the property has encroached upon the right of way of the Plaintiff by constructing a compound wall upon a public road. The Plaintiff has hence prayed for the demolition the compound wall.

Regular Civil Suit No 802 of 2002

This suit was filed in the Court of the Civil Judge (Senior Division), Pune by Mrs Kartar Kaur Anand (Plaintiff) against Pune Municipal Corporation, Our Company and others.

The Suit is in relation to the property situated at Shivaji Nagar, Pune.

The Plaintiffs have filed this suit against the Defendants alleging that the plans sanctioned by the Pune Municipal Corporation were illegal since our Company did not obtain consents from the co – owners of the property. An application for temporary injunction was rejected.

Special Civil Suit No 561 of 2002.

This suit was filed in the Court of the Civil Judge (Senior Division), Pune by Mohanlal Khivansara and others against Mr. Krishnan Gaikwad, Mr Pande, Our Company and others (Defendants) in relation to the property situated at Aundh, Pune.

The Plaintiff has filed this suit alleging that our Company has illegally encroached on a portion of this property while developing a plot adjacent to this property. The Plaintiffs have prayed for recovery of possession of the encroached portion and damages at the rate of 50,000 per month till the final disposal of the suit.

Suit for Recovery of Money / Money Suit:

First Appeal No 2951/2006

Being aggrieved by the dismissal of the claim of Hiralal Solanki, the Plaintiff against the Company, as the Defendants in the Special Civil Suit 419 of 1999,for an amount of Rs.26,200,000/- and interest thereon along with the built up area of 11400 sq. ft in the property situated at Boat Club Road, Sangamwadi Pune by judgement and decree passed by the Honorable Civil Judge Senior Division, Pune , in the Special Civil Suit 419 of 1999, the Appellant who is the Plaintiff in the said suit has preferred this First Appeal, before the Honorable High Court of Mumbai which is pending for Admission.

Miscellaneous Suits:

Regular Suit No 1714 of 2005

This suit was filed was filed in the Court of the Civil Judge (Junior Division), Pune by Maestros Co-operative Society Ltd. (Plaintiffs) against Our Company and Ankit Enterprise (Defendants).

This suit has been filed in connection with the property situated at Wanowarie (“Property”) which was developed by the Company. The Plaintiffs have alleged that after the development of the Property, the Company did not comply with the statutory regulation of forming a society. The Plaintiffs further alleged that the maintenance deposit (“Corpus”) taken by the Company was not handed over to the Plaintiffs on their coming into existence in March 2001 and was instead given to an association alleged to be illegally formed by our Company (“Association”). The Plaintiffs have prayed for the Defendants to execute a conveyance of the Property in favour of the Society, and for a permanent, temporary and Ad- interim injunction from giving the interest to the illegally formed Association.

Cases pending in the High Court:

Second Appeal No 259 of 2003 was filed in the High Court of Mumbai, by Sharda Erectors Pvt. Ltd (Appellants) against Bombay Diocessan Trust Association (BDTA), Our Company and others.

The property loacate at Aundh originally belonged to the Palande family. Thereafter it was bought by Father Barber for Christ Seva Sangha. It was conveyed to BDTA. Mr Vairagar claiming to be the representative of Christ Seva Sangha sold it to the Appellants. The BDTA subsequently sold it to our Company after obtaining permission from the Joint Charity Commissioner, Pune for the sale. Our Company therefore filed a suit for declaration of title against the Appellants which was decreed in favour of our Company. The Appellants have preferred this appeal against the order of the III Additional District Judge, Pune from the judgment and decree passed by the lower court declaring title in favour of BDTA and have claimed that they are the rightful owners while BDTA have only the right to manage the property and have no title.

Show Cause Notices:

1. Two legal notices have been served on the Company, Mr. Rajesh Patil, (in his capacity as a director of the Company), and M/s. Dream Giga Ventures, (an association of persons which is represented by Kolte-Patil Enterprises, ("KPE"), a partnership firm and M/s Dream Developers) by Dishti Industries Ltd. The said notices call upon the recipients to sell the property in question in the manner as detailed in the said notices. Further, the said notices threaten legal action in connection with a joint venture agreement with KPE and M/S Dream Developers. The Company, KPE and Mr. Rajesh Patil have responded to the said notices. and no proceedings have been initiated so far in this regard. Dishti Industries Ltd had filed a Special Civil Suit No 1923/2006, in the Court of the Civil Judge (Senior Division), Pune .against M/s Dream Giga Ventures and others including Our Company for specific performance of the alleged agreement / letter. An application for interim injunction against creating any third party rights has been allowed.

2. A legal notice dated May 22, 2006 has been served on the Company, Milind Kolte and Rajesh Patil (in their capacity as directors of the Company), by the Government Labour Officer Pune and Inspector under Contract Labour (Regulation and Abolition) Act, 1970 to show cause why they have not obtained a registration certificate as required under Section 7 of the Contract Labour and Abolition Act and reasons for not maintaining the register of contractors laid in Form VIII as per rule 55 of the Maharashtra Contract Labour Rules, 1971. This notice is with regard to worksite at Gigaspace, Nagar Road, Pune. The Company responded to the notice by requesting for some time to assess the applicability of the regulations as pointed out by remarks made by the Inspector and has accordingly filled an application for registration under the said Act.

   The Office of the Registering Officer, Pune, has issued the Certifcate of Registration No.24, PN-2005 dated 4th Janaury 2007 for Giga Space, S. No. 198/1B, Lohagaon, Pune Nagar Road, Pune under the provisions of the Contract Labour (Regulation and Abolition) Act, 1970, Pune.

3. A show cause notice dated March 16, 2006 has been served on the Company, Milind Kolte and Rajesh Patil (in their capacity as directors of the Company), by the Government Labour Officer Pune and Inspector under Contract Labour (Regulation and Abolition) Act 1970, to show cause why they have not obtained a registration certificate as required under Section 7 of the Contract Labour and Abolition Act and reasons for not maintaining the register of contractors laid in Form VIII as per rule 55 of the Maharashtra Contract Labour Rules, 1971.This notice is with regard to the worksite at E Space, situated at Vadgaon Sheri, Pune. The Company responded to the notice by requesting for some time to assess the applicability of the regulations and has filled an application for registration under the said Act.

   The Office of the Registering Officer, Pune, has issued the Certificate of Registration No.24, PN-2004 dated 4th Janaury 2007 for E Space, S. No. 46/1 Vadgaon Sheri, Pune under the provisions of the Contract Labour (Regulation and Abolition) Act, 1970, Pune.

2. CASES FILED AGAINST THE PROMOTERS, THE PROMOTER GROUP AND THE DIRECTORS

There are no criminal cases filed against our Promoters, Promoter Group and Directors.

Civil Cases

a. *Property situated at Kalyani Nagar:*

The following cases are in relation to the disputes in regard to the property situated at 16/1 Mouje Vadgao Sheri, Pune.

Special Civil Suit No. 264 of 1999

This suit was filed in the Court of the Civil Judge (Senior Division), Pune by Mr. Dyaneshwar Mulik and others (Plaintiffs) against M/s Kolte-Patil Enterprise, Mr. Rajesh A. Patil and Mr. Milind D Kolte (Defendants).

In consideration of an agreed sum the Plaintiffs entered into two agreements with the Defendants both dated September 20, 1996, and the Supplementary Agreement dated September 21, 1996 for sale of the FSI of the property and promoting ownership schemes in the property. The consideration was to be paid in a certain manner as per the abovementioned agreements. The Plaintiffs allege that the Defendants have defaulted in paying them the consideration for the sale of FSI and have hence prayed the agreement to stand terminated and damages for Rs 100 million to be awarded. The Defendants have filed a written statement stating that the Plaintiff has basically suppressed the material facts and has not come with the clean hands. In addition to this the Defendant has not made any default in making any payment to the Plaintiff and they have sold major portion of the FSI and has constructed the structures on the property. This suit has been dismissed on 3rd January 2007.

Mr. Dnyaneshwar Narayan Mulik, the original Plaintiffs has preferred the First Appeal No.1708 of 2007 in the Judicature of Bombay in the High Court against the Judgment and Decree passed by the Civil Judge Senior Division Pune in the Special Civil Suit No. 264 of 1999. The First Appeal is now pending for admission and for hearing of the interim application for not disturb the possession of a portion of the suit property.

Special Civil Suit No. 763 of 1999:

This suit was filed in the Court of the Civil Judge (Senior Division), Pune by Mr. Dyaneshwar Mulik and others (Plaintiffs) against M/s Kolte-Patil Enterprise, Mr. Rajesh A. Patil, Mr. Milind D Kolte and 79 others (Defendants).

The Plaintiffs entered into various agreements with the Defendants no 1 to 3 two dated September 20, 1996 and one dated September 21, 1996 whereby the Plaintiffs granted permission to sale FSI to the Defendants vide a Power of Attorney. As per the agreement, the Plaintiffs were to provide a clean title to the property and the Defendants were to sale the FSI and collect the money on behalf of the Plaintiff and as per the collection defendants has to pay to the Plaintiff the consideration received for the said sale of the FSI rights as and when it became due. The Defendants acting on this Power of Attorney have entered into around 230 Sale Deeds with various purchasers for the sale of the FSI and also entered into the different agreement for construction of the flats by using the FSI which were to be constructed by the Defendants. The Plaintiffs have filed this suit alleging that the Defendants have caused a breach of the agreements dated September 20, 1996 and September 21, 1996 by not paying the required consideration. The Plaintiffs have prayed for termination and or cancellation of the Sale Deeds, and award damages to the tune of Rs 10,58,54,150. Our Company is one of the parties with whom the Defendants have entered into a Sale Deed. This suit has been partly decreed vide order dated 3rd January 2007 and the Plaintiffs are entitled to recover Rs.183,511,400/- (Rupees one eighty three million, five hundred and eleven thousand four hundred only).The Defendants are directed to pay this amount within 1 month, failing which the Plaintiffs are entitled to interest of 12%. The Plaintiffs have not responded to the requests of the Company to intimate the names of persons in whose favor the demand drafts are to be drawn for making the payment of the amounts as directed by the court.

Mr. Dnyaneshwar Narayan Mulik, the original Plaintiffs has preferred the First Appeal No.1707 of 2007 in the Judicature of Bombay in the High Court against the Judgment and Decree passed by the Civil Judge Senior Division Pune in the Special Civil Suit No. 763 of 1999. The First Appeal is pending admission and for hearing of the interim application for an order and injunction for preventing the creation of any third party rights and for the appointment of a Court Receiver in respect of the suit property.. The suit was dismissed on January 3, 2007.

Regular Civil Suit No. 1420/1999:

This suit was filed in the Court of the Civil Judge (Senior Division), Pune by Mr. Anil Marutrao Mahajan (Plaintiffs) against Mr Gajanan Narayanan Mulik, Mr Satish Gajanan Mulik and Kolte-Patil Enterprise (Defendants).

Mr Gajanan Narayanan Mulik had entered into an agreement with Kolte-Patil Enterprise ('KPE') on September 9, 1996 whereby Mr. Mulik granted development right to KPE vide a Power of Attorney. KPE vide the abovementioned Power of Attorney sold a portion of the property to the Plaintiffs. The Plaintiffs in turn entered into a construction agreement with the M/S Kolte-Patil Enterprise for the development of the portion of the property sold to them. On 6th September 1998, Mr. Mulick started obstructing the construction of the property. The Plaintiffs have filed this suit praying that Mr. Mulik and others may be restrained from obstructing the construction and development of the sold portion of the property. The suit was dismissed on January 24, 2007.

Regular Civil Suit No. 1323 of 1998:

This suit was filed in the Court of the Civil Judge (Senior Division), Pune by M/s Classis Investment (Plaintiff) against Mr Gajanan Narayanan Mulik, Mr Satish Gajanan Mulik and Kolte-Patil Enterprise (Defendants).

Mr Gajanan Narayanan Mulik had entered into an agreement with Kolte-Patil Enterprise ('KPE') on September 9, 1996 whereby Mr. Mulik granted development right to KPE vide a Power of Attorney. KPE vide the abovementioned Power of Attorney sold a portion of the property to the Plaintiff. The Plaintiff in turn entered into a construction agreement with the M/S Kolte-Patil Enterprise for the development of the portion of the property sold to them. On 6th September 1998, Mr. Mulick started obstructing the construction of the property. The Plaintiff have filed this suit praying that Mr. Mulik and others may be restrained from obstructing the construction and development of the sold portion of the property. An application for interim injunction was rejected.

Special Civil Suit No 224 of 2003

The suit was filed in the court of the Civil Judge, Senior Division, Pune by New Power Electricals Private Limited against Kolte-Patil Enterprise (KPE) and Mr Rajesh Aniruddh Patil.

This suit has been filed in connection to an agreement dated March 10, 1997, entered into by KPE with the Plaintiff for the purpose of sub contracting certain construction work to the Plaintiff. The Plaintiff has alleged that there was an ongoing dispute between KPE and the owners of the land where construction was being carried out and hence, the Plaintiff was obstructed from carrying on with its work which resulted in the termination of the agreement and hence the Plaintiff has prayed that KPE be directed to pay Rs. 5.6 million to the Plaintiff along with interest at the rate of 18% till realization. The Suit is still pending.

Special Civil Suit No 127 of 2002

This suit was filed in the Court of the Civil Judge (Senior Division), by Mr. Pandharinath Yaduji Adsul and others against Kolte-Patil Enterprises.

The Development rights to the mentioned property were given to KPE by one D.Y Mulick who further assigned a portion of the development rights to the Plaintiffs vide agreement dated April 10, 1997. The Plaintiffs allege that KPE has breached the terms of this agreement and has accordingly claimed damages to the tune of Rs 7.5 million.

b. *Suits for Specific performance:*

Civil Suit No 433 of 2006

This suit was filed in the Court of the Civil Judge (Senior Division), Pune by Mrs. Sulochana Sathe, Mrs. Seema Borde, Mrs Maya Sathe, Mr Shankar Pawar and others against Yashowardhan Housing Society (Defendant No 1), Rajesh Patil (Defendant No 2) and Sanjay Sathe (Defendant No 3).

The Suit is filed in relation to the property admeasuring approximately 3 Hectares 3 Ares situated at Mouje Pimple Nilakh, Pune.The Plaintiff had issued a Power of Attorney in favour of defendant No 3 to act on their behalf. Defendant No 3 vide this Power of Attorney sold the Plaintiffs property to Yashowardhan Housing Society. The Plaintiff has filed a suit against the defendants stating that Defendant No 3 does not have the right to collect money on behalf of the Plaintiff and in future all moneys payable should be paid directly to the Plaintiff. The suit is still pending

c. *Suits for encroachment:*

Regular Civil Suit No 426 of 2003

This suit was filed in the court of Civil Judge (Junior Division), Pune by Silver Oak Co–operative Housing Society against Kolte-Patil Enterprise and Ankit Enterprises.

This suit is in relation to the open space in front of the six society buildings surrounding the garden area used as an open space and internal road located at Survey No 16/1 Kalyaninagar, Pune.

The Plaintiff is a Co operative Society. The members of the society handed over the development rights of the said property to the defendant. The defendant's constructed flats on the said land which the owners are in possession of and occupying. Certain areas were reserved for open spaces and an internal road. The plaintiff alleges that the defendant is converting the open space into a covered parking and thereby adding it to the saleable area. The Plaintiff has accordingly prayed for the grant of a permanent injunction restraining KPE from constructing a covered parking lot. An application for interim injunction was rejected. The Suit is still pending.

Regular Civil Suit No 776 of 2001

This suit was filed by Mr. Jetmal Mohanlal Khivansara (Plaintiff) against the Pune Municipal Corporation, M/s Kolte-Patil, Builders and Partners (the partners of this firm are Anirudha Patil, Rajesh Patil and Sunita Kolte)

This suit is in relation to the property admeasuring 2702 square meters which was declared as a slum area out of the total 2 Acres and 12 Guntas and situated at Survey No 156, Aundh, Pune.

The Plaintiff is the owner of the abovementioned property. Pune Municipal Corporation vide advertisement No. 139 dated November 17, 1990 declared a portion of the property to be a slum areas and assigned development rights to M/s Espo Asia Developers limited who in turn assigned the development rights to M/s Kolte-Patil, Builders and Partners. The plaintiffs have therefore prayed that the defendants may be permanently restrained from carrying out any construction or erecting any unauthorized hutments on the Suit property. An application for interim injunction was rejected.

Special Suit No. 725 of 1998

This suit was filed in the court of Civil Judge (Junior Division), Pune by Krushna Govind Gaikwad (Plaintiff) against Anirudha Patil, Rumadevi patil, Rajesh Patil, Naresh Patil, Sunita Kolte.

This plaint has been filed in connection with property situated in Aundh, Pune (Property). The Plaintiff has alleged that development work carried on by Mr. Rajesh Patil on behalf of Kolte- Patil Builders & Promoters (Firm), a partnership firm in which he is a partner, has led to encroachment of the Plaintiff's property and hence has prayed for that the alleged encroachment be removed.

Civil Suit No 2020 of 1996:

This suit was filed in the Court of the Civil Judge (Senior Division), Pune by This Suit was filed by Mr. Jetmal Mohanlal Khivansara (Plaintiff) against the Pune Municipal Corporation and M/s Kolte-Patil Builders and Promoters (Defendants).

The Suit is in relation to the property admeasuring 1400 square meters out of the total land bearing survey No 156/ 1A/1/1.

The Plaintiffs vide this suit allege that M/s Kolte-Patil Builders and Promoters encroached upon the Plaintiffs property. The Plaintiff prays that the commencement certificate and plan sanctioned by Pune Municipal Corporation in favour of KP Builders and Promoters is illegal and have prayed for the grant of permanent injunction restraining KP Builders and Promoters from constructing on the encroached portion.

An application for interim injunction was rejected.

3. CASES FILED BY THE COMPANY, THE PROMOTERS, THE PROMOTER GROUP AND THE DIRECTORS

Regular Civil Suit No. 423 of 2006

This suit was filed in the Court of the Civil Judge (Senior Division), Pune by Our Company (Plaintiff) against the State of Maharashtra and others in respect to the land situated at S. No 46/1, Wadgaon Sheri, Pune and Serial No 198, Lohegaon, Pune.

The Defendants vide an order passed under the Maharashtra Land Revenue Code, 1966 dated February 13, 2006 called upon the Plainitffs to pay a penalty of Rs 262,500 for the plot situated at Wadgaon and Rs 5,643,350 as penalty for the plot at Lohegaon for excavation of minerals.

The Plaintiff has filed this suit stating that they are the owners of the land and that they have obtained necessary permission from the local authorities to excavate the land for the purpose of development. Further the Plaintiff states that their development operation is no way concerned with the excavation of minerals. The plaintiff have prayed for the abovementioned orders to be declared as illegal, null and void and to be set aside and also for grant of a stay of the recovery of the amount claimed under the abovementioned order.An application for Interim Injunction has been filed and is pending.The suit is still pending.

Regular Civil Suit No 354 of 1999

This suit was filed in the Court of the Civil Judge (Senior Division), Pune by Kolte-Patil Developers Limited (Plaintiffs) against Mr Rajendra (Defendants).

This suit is filed in connection with the property admeasuring approximately 54 acres situated at Undri, Pune.

The Plaintiff states that they own development rights in the abovementioned property and have alleged obstruction by the Defendants. Further, the Plaintiffs states that they constructed a boundary wall on the abovementioned property which was demolished by the Defendants. The Plaintiffs have prayed for restraining the Defendant by a permanent injunction from entering upon the property and demolishing the said boundary wall.

Regular Civil Suit No 628 of 2001

This suit was filed in the Court of the Civil Judge (Senior Division), Pune by Kolte-Patil Developers Limited (Plaintiff) against State of Maharashtra, the Registrar; Co-operative Societies Pune; Deputy Registrar, Co-operative Societies, Pune and Mr Vinodkumar Narang.

This Suit is in relation to the Property situated at Survey No. 60/7, Wanorie, Pune.

The Plaintiff developed the abovementioned property and registered it under the Maharashtra Ownership of Flats Act, 1970. However, certain flat owners wanted the developed property to be registered under the Maharashtra Co–operative Society Act and approached the registrar in this regard. The Registrar sanctioned the registration of the developed property under the Maharashtra Co–operative Society Act. Hence, the Plaintiffs have filed this suit stating that the registrar has no authority to register the Society under the Cooperative Society Act when the property is already subject to the jurisdiction of the Maharashtra Ownership of Flats Act.

Appeal No 66 of 2001:

This appeal was filed before the Joint Registrar C.S [Appeals], Pune by Kolte-Patil Developers Limited against Deputy Registrar, Co-operative Societies, Pune, Mr Vinodkumar Narang and Maestros Co–operative Society Limited.

This suit is in relation to the Property situated at Survey No. 60/7, Wanorie, Pune being developed by our Company.

These proceedings have been filed by our company in light of orders that were passed, which allowed Mr. Vinod Narang (styling himself as the Chief Promoter of the Society), to open a bank account in the name of the proposed Society, and to register the Society, ("Impugned Orders"). The Appellant has accordingly prayed that the Impugned Orders be quashed and set aside and that their operation be stayed. The Appeal filed is dismissed by the Joint Registrar on January 8, 2007.

Special Civil Suit No 1731 of 1997

This suit was filed in the Court of the Civil Judge (Senior Division), Pune by Kolte-Patil Developers Limited, Patil Developers Private Limited and Kolte-Patil Enterprise (Plaintiff) against Gajanan Narayanan Mulik and others (Defendants).

The Defendants entered into an agreement with the Plaintiffs on September 9, 1996 whereby the Defendants granted development right to the defendants vide a Power of Attorney. As per the agreement, the Defendants were to provide a clean title to the property and the Plaintiffs were to pay the consideration for the said development rights as and when it became due. The Plaintiffs allege that the defendants have failed to provide a clean and clear title for the abovementioned property. The Plaintiffs have accordingly prayed for Specific performance of the abovementioned Contract and for the Defendants to provide a clear title to the mentioned property.

The Plaintiffs filed an application for interim injunction and the same was allowed by the Civil Court. However on appeal to the High Court by the present Defendants, the High Court rejected the application for interim injunction and the same was again rejected on appeal to the Supreme Court. The suit of the Plaintiffs was dismissed on 13.04.2007 by the Honorable Court and the certified copy of the order is awaited.

Writ Petition No 3543 of 2001

This Writ Petition was filed in the High Court of Bombay by M/s Kolte-Patil Developers (Petitioners) against The State of Maharashtra and others (Defendants).

This suit is in relation to the property situated at Plot No 188 admeasuring 10,588 square meters located at Sangamwadi, Pune.

The abovementioned property was originally owned by Jamnabai Narayanji Dwarkadas Trust. This property has been reserved for the purpose of Primary School under draft Development Plan of 1982. On 8th January 1997, the Petitioners has filed proposal with the Respondent for constructing the school and thereafter handing over the same to the Corporation free of charge in exchange of the petitioners being able to develop the remaining area for commercial purposes. The respondent rejected the application by the letter dated 6th march 1997. On 31st march 1997, the petitioners purchased the abovementioned land for a consideration of Rs.130 million and Rs. 21 lakhs. The petitioner filed application for a N.A. to develop the abovementioned property and the said was rejected by the order dated 24th July 2000. on 21st August 2008, the Petitioners served a notice on PMC under section 127 of the M.R.T.P Act 1966 for acquisition of land under reservation. The same was rejected by the commissioner. The Respondents have not taken any steps till date for constructing a school on the mentioned premises. Hence the petitioners have filed this Writ praying that the abovementioned land, by virtue of the Section 127 of the MRTP Act is deemed to be lapsed and land must be released from the said reservation.

Special Civil Suit No 510 of 1999

This suit was filed in the Court of the Civil Judge (Senior Division), Pune by Kolte-Patil Developers Limited (Plaintiffs) against Mr. Dyneshwar Mulik and others (Defendants).

The suit is in relation to the property situated at

The defendants had put a hoarding on the abovementioned premises stating that the property is under court proceedings and to not deal with the same. The Plaintiffs have filed this suit praying for damages on account of false information which was published with regard to the Plaintiffs title over the property and the consequential damage to the Plaintiffs goodwill. The Plaintiff has further sought a permanent injunction restraining the Defendants from publishing any defamatory/ false matter in relation to the Plaintiff's property. The plaintiff has claimed an amount of Rs 10,00,000 as damages. The suit was dismissed on June 16, 2007 by the Honorable Court.

Regular Civil Suit No 1128 of 2004

This Suit was filed in the Court of the Civil Judge (Senior Division), Pune by Ankit Enterprise and others (Plaintiff) against Mr. Akram Khan and others (Defendants).

The Suit has been filed in connection with property bearing Plot No 414 and 415/B situated at Ghorpadi, Pune.

The abovementioned property is being developed by the Plaintiffs by virtue of Development Agreement dated September 29, 2003. The Defendants have on several occasions attempted to trespass on the Property which has hampered the Plaintiffs development of the Property. Hence the Plaintiffs have filed this suit praying for an permanent injunction restraining the Defendants from entering the abovementioned property.

Suits for specific performance:

Special Civil Suit No 156 of 2006

This suit was filed in the Court of the Civil Judge (Senior Division), Pune by Yashowardhan Co operative Society against Mr Dighambar Balwadkar.

The suit has been filed in connection with the property property admeasuring approximately 0 Hectare and 20 acres situated in Balewadi, Pune.

The Defendants have entered into a Memorandum of Understanding with the Defendants on April 24, 2004 for the sale of the abovementioned property. The Defendants have allegedly breached the terms of the MOU and the Plaintiff has prayed for the specific performance of the MoU and to execute sale deed with regard to the abovementioned property in favour of the Plaintiffs and also for restraining the Defendants from creating any third party interests in the abovementioned property.

Special Civil Suit No 157 of 2006

This suit was filed in the Court of the Civil Judge (Senior Division), Pune by Yashowardhan Co operative Society against Mr Dighambar Balwadkar.

The suit has been filed in connection with the property property admeasuring approximately 1 Hectare and 81 acres situated in Balewadi Pune.

The Defendants have entered into a Memorandum of Understanding with the Defendants on June 2, 2004 for the sale of the abovementioned property. The Defendants have allegedly breached the terms of the MOU and the Plaintiff has prayed for the specific performance of the MoU and to execute sale deed with regard to the abovementioned property in favour of the Plaintiffs and also restraining the Defendants from creating any third party interests in the abovementioned property.

Special Civil Suit No 158 of 2006

This suit was filed in the Court of the Civil Judge (Senior Division), Pune by Yashowardhan Co operative Society against Mrs Narmadabhai Khandver.

The suit has been filed in connection with the property property admeasuring approximately 63 acres situated in Balewadi Pune.

The Defendants have entered into a Memorandum of Understanding with the Defendants on December 14, 2004 for the sale of the abovementioned property. The Defendants have allegedly breached the terms of the MOU and the Plaintiff has prayed for the specific performance of the MoU and to execute sale deed with regard to the abovementioned property in favour of the Plaintiffs and also restraining the Defendants from creating any third party interests in the abovementioned property.

Special Civil Suit No 159 of 2006

This suit was filed in the Court of the Civil Judge (Senior Division), Pune by Yashowardhan Co operative Society against Eknath Balwadakar.

The suit has been filed in connection with the property property admeasuring approximately 20 acres situated in Balewadi Pune.

The Defendants have entered into a Memorandum of Understanding with the Defendants on April 21, 2004 for the sale of the abovementioned property. The Defendants have allegedly breached the terms of the MOU and the Plaintiff has prayed for the specific performance of the MoU and to execute sale deed with regard to the abovementioned property in favour of the Plaintiffs and also restraining the Defendants from creating any third party interests in the abovementioned property.

Special Civil Suit No 160 of 2006

This suit was filed in the Court of the Civil Judge (Senior Division), Pune by Yashowardhan Co operative Society against Mr Maruti Dashrath Kambale and others.

The suit has been filed in connection with the property admeasuring approximately 1 Hectare 81 acres situated in Balewadi Pune.

The Defendants have entered into a Memorandum of Understanding with the Defendants on July 2, 2004 for the sale of the abovementioned property. The Defendants have allegedly breached the terms of the MOU and the Plaintiff has prayed for the specific performance of the MoU and to execute sale deed with regard to the abovementioned property in favour of the Plaintiffs and also restraining the Defendants from creating any third party interests in the abovementioned property.

Special Civil Suit No 161 of 2006

This suit was filed in the Court of the Civil Judge (Senior Division), Pune by Yashowardhan Co operative Society against Mr Jaywant Kashinath Balwadkar and others.

The suit has been filed in connection with the property admeasuring approximately 0 Hectare 66 acres situated in Balewadi Pune.

The Defendants have entered into a Memorandum of Understanding with the Defendants on May 7, 2004 for the sale of the abovementioned property. The Defendants have allegedly breached the terms of the MOU and the Plaintiff has prayed for the specific performance of the MoU and to execute sale deed with regard to the abovementioned property in favour of the Plaintiffs and also restraining the Defendants from creating any third party interests in the abovementioned property.

Special Civil Suit No 162 of 2006

This Suit was filed in the Court of the Civil Judge (Senior Division), Pune by Yashowardhan Co operative Society against Vithal Nathu Balwadkar and others (Defendants).

The Suit has been filed in connection with the property admeasuring approximately 0 Hectare 91.5 acres situated in Balewadi Pune.

The Defendants have entered into a Memorandum of Understanding with the Defendants on May 7, 2004 for the sale of the abovementioned property. The Defendants have allegedly breached the terms of the MOU and the Plaintiff has prayed for the specific performance of the MoU and to execute sale deed with regard to the abovementioned property in favour of the Plaintiffs and also restraining the Defendants from creating any third party interests in the abovementioned property.

Special Civil Suit No 163 of 2006

This suit was filed in the Court of the Civil Judge (Senior Division), Pune by Yashowardhan Co operative Society against Mr. Madhukar Dattu Takale and others (Defendants).

The suit has been filed in connection with the property admeasuring approximately 0 Hectare 94.5 acres situated in Balewadi Pune.

The Defendants have entered into a Memorandum of Understanding with the Defendants on May 7, 2004 for the sale of the abovementioned property. The Defendants have allegedly breached the terms of the MOU and the Plaintiff has prayed for the specific performance of the MoU and to execute sale deed with regard to the abovementioned property in favour of the Plaintiffs and also restraining the Defendants from creating any third party interests in the abovementioned property.

Special Suit No 60 of 2006

This suit was filed in the Court of the Civil Judge (Senior Division), Pune by Yashowardhan Co operative Society against Mr. Madhukar Dattu Takale and others (Defendants).

The suit has been filed in connection with the property approximately totally admeasuring 55.5 acres situated in Moje Balewadi, Taluka Havali District Pune.

The Defendants have entered into a Memorandum of Understanding with the Defendants on May 7, 2004 for the sale of the abovementioned property. The Defendants have allegedly breached the terms of the MOU and the Plaintiff has prayed for the specific performance of the MoU and to execute sale deed with regard to the abovementioned property in favour of the Plaintiffs and also restraining the Defendants from creating any third party interests in the abovementioned property.

Special Suit No 61 of 2006

This suit was filed in the Court of the Civil Judge (Senior Division), Pune by Yashowardhan Co operative Society against Mr. Maruti Shivram Takale and others (Defendants).

The suit has been filed in connection with the property approximately totally admeasuring 65 acres situated in Moje Balewadi, Taluka Havali District Pune.

The Defendants have entered into a Memorandum of Understanding with the Defendants on May 7, 2004 for the sale of the abovementioned property. The Defendants have allegedly breached the terms of the MOU and the Plaintiff has prayed for the specific performance of the MoU and to execute sale deed with regard to the abovementioned property in favour of the Plaintiffs and also restraining the Defendants from creating any third party interests in the abovementioned property.

Special Suit No 62 of 2006

This suit was filed in the Court of the Civil Judge (Senior Division), Pune by Yashowardhan Co operative Society against Mr. Laxman Gangaram Takale and others (Defendants).

The suit has been filed in connection with the property approximately totally admeasuring 72 acres situated in Moje Balewadi, Taluka Havali District Pune.

The Defendants have entered into a Memorandum of Understanding with the Defendants on May 7, 2004 for the sale of the abovementioned property. The Defendants have allegedly breached the terms of the MOU and the Plaintiff has prayed for the specific performance of the MoU and to execute sale deed with regard to the abovementioned property in favour of the Plaintiffs and also restraining the Defendants from creating any third party interests in the abovementioned property.

Special Suit No 63 of 2006

This suit was filed in the Court of the Civil Judge (Senior Division), Pune by Yashowardhan Co operative Society against Mr. Haridas Ramchandra Takale and others (Defendants).

The suit has been filed in connection with the property approximately totally admeasuring 169.5 acres situated in Moje Balewadi, Taluka Havali District Pune.

The Defendants have entered into a Memorandum of Understanding with the Defendants on May 7, 2004 for the sale of the abovementioned property. The Defendants have allegedly breached the terms of the MOU and the Plaintiff has prayed for the specific performance of the MoU and to execute sale deed with regard to the abovementioned property in favour of the Plaintiffs and also restraining the Defendants from creating any third party interests in the abovementioned property.

Special Civil Suit No 890 of 2007

This suit was filed in the Court of the Civil Judge (Senior Division), Pune by Mr. Milind D. Kolte against Mr. Bhu (alias) Bhausaheb Raghu Gaikwad and others (Defendants).

The suit has been filed in connection with the property approximately admeasuring 01 Hector 62 are out of Sr. No. 127 Hissa No 1 / 2 (Old No. 127 Hissa No 1 – B), situated at Village Jambe, Taluka Mulshi, District:- Pune.

The Defendants have entered into a Memorandum of Understanding with the Defendants on March 31, 2005 for the sale of the abovementioned property. The Plaintiff have filed this suit for the specific performance of the MoU and appropriate directons for execution of the sale deed in respect of the abovementioned property in favour of the Plaintiffs and for restraining the Defendants from creating any third party interests in the abovementioned property. This suit for specific performance is valued at Rs 4 million.

There are no outstanding to small scale undertakings more than one month as on 31st March 2007.

Material developments since the last balance sheet dated June 30, 2007.

There have been no material developments since the last balance sheet dated June 30, 2007, otherwise than as disclosed in Management Discussion and Analysis of Financial Condition and Results of Operations on page 175 of the RHP.

Our Company has not instituted as a party to any litigation after receipt of SEBI's observation letter dated September 4, 2007.

GOVERNMENT / STATUTORY AND OTHER APPROVALS

In view of the approvals listed below, we can undertake this Issue and our current business activities and no further major approvals from any governmental or regulatory authority or any other entity are required to undertake the Issue or continue our business activities. Unless otherwise stated, these approvals are all valid as of the date of this Red Herring Prospectus.

1. Approvals for the Issue

The Board of Directors has pursuant to resolution passed at its meeting held on November 17, 2006, authorised the Issue subject to the approval by the shareholders of our Company under section 81(1A) of the Companies Act.

Our shareholders have, pursuant to a special resolution passed at the extra ordinary general meetings of our Company held on December 9, 2006 in accordance with Section 81(1A) of the Companies Act, authorised the Issue.

The Board of Directors has, pursuant to a resolution dated November 17, 2006, authorised a committee of its Directors, referred to as the IPO Committee, to take decisions relating to the Issue on behalf of the Board of Directors.

2. Approvals for our business

In the course of our business we require certain approvals for developing and constructing our projects.

The required approvals and related information for each project are classified under the following heads:

(1) Land Reserves

(2) Ongoing Projects and Proposed Projects

(3) Completed Projects

(4) Other Pending Approvals

A. Land Reserves

The Land Reserves in question are as follows:

1. Mohammadwadi
2. Kalyani Nagar - Survey No. 16
3. Bavdhan - 3
4. Pimple Gurav
5. Darumbare
6. Urse
7. Savargaon
8. Sus
9. Chakan
10. Undri
11. Aundh

The Company requires the following approvals/ certificates before the final sale of any developed land reserve:

1. Commencement Certificate (Development Plan and Building Permission)/ N.A. order;
2. Plinth checking certificate;
3. No Objection Certificates [Provisional and Final] - Fire, Water, Drainage, Lift, Tree, Encroachment, Tax, Development Plan, Road, structural stability- from the relevant departments of the concerned municipal corporations;
4. Completion Certificate; and
5. Title Certificates: The Company relies on title certificates before investing in any development project. Accordingly, the Company is in the process of obtaining Title Certificates for the following residential and commercial projects.

B. **Ongoing and Proposed Projects**

1. **DEW DROPS:**

   I. **Approvals/ Licenses obtained:**

Sr. No.	Description	Reference/ License No.	Issue Date	Expiry Date
1.	Commencement Certificate (Development Plan)	DPO/790/V/84	April 27, 2006	April 26, 2010
2.	Commencement Certificate (Building Permission)	CC/1013/06	June 17, 2006	June 16, 2010
3.	Provisional Fire NOC	FB/1094	August 21, 2006	NA (Final NOC at the time of Completion supersedes this Provisional NOC)
4.	Plinth Checking Certificate Bldg- A,B, C	BCO/03/328	Feb. 26, 2007	-
5.	Plinth Checking Certificate Bldg- H	BCO/03/006	April 9, 2007	-

II. **Approvals/Licenses for which applications have been made**

None

III. **Approvals/Licenses which remain to be obtained up till the Occupancy Certificate**

1) **Plinth checking certificate for balance buildings D, E, F and G**

2) **No Objection Certificates [Final]** - Fire, Water, Drainage, Lift, Tree, Encroachment, Tax, Development Plan, Road, structural stability- from the relevant departments of the concerned municipal corporations

3) **Environmental Clearance**

4) **Completion Certificate**

2. **LAPIS LAZULI:**

   I. **Approvals/ Licenses obtained**

Sr. No.	Description	Reference/ License No.	Issue Date	Expiry Date
1.	Commencement Certificate (Development Plan)	DPO / 339/ V / 63	July 15, 2005	July 14, 2009
2.	Provisional Fire NOC	FB/1183	August 30, 2003	NA (Final NOC at the time of Completion supersedes this Provisional NOC)

II. **Approvals/Licenses for which applications have been made**
None

III. **Approvals/Licenses which remain to be obtained up till the Occupancy Certificate**

1) **Commencement Certificate (Building Permission)**

2) **No Objection Certificates [Final]** - Fire, Water, Drainage, Lift, Tree, Encroachment, Tax, Development Plan, Road, structural stability- from the relevant departments of the concerned municipal corporations

3) **Completion Certificate**

3. <u>ROSE PARADE:</u>

I. **Approvals/ Licenses obtained**

Sr. No.	Description	Reference/ License No.	Issue Date	Expiry Date
1.	Commencement Certificate (Development Plan)	DPO / 3483/ VI / 34	August 08, 2003	August 07, 2007 We have applied for revalidation of the same.
2.	Provisional Fire NOC	FB/1240	September 3, 2002	NA (Final NOC at the time of Completion supersedes this Provisional NOC)
3.	Provisional Fire NOC	FB/3136	January 31, 2004	NA (Final NOC at the time of Completion supersedes this Provisional NOC)

II. **Approvals/Licenses for which applications have been made**

None

III. **Approvals/Licenses which remain to be obtained up till the Occupancy Certificate**

1) **Commencement Certificate (Building Permission)**

Plinth checking certificate

2) **No Objection Certificates [Final]** - Fire, Water, Drainage, Lift, Tree, Encroachment, Tax, Development Plan, Road, structural stability- from the relevant departments of the concerned municipal corporations

3) **Completion Certificate**

4. <u>PINK CITY:</u>

I. **Approvals/ Licenses obtained**

Sr. No.	Description	Reference/ License No.	Issue Date	Expiry Date
1.	Commencement Certificate (Development Plan)	BP/ Wakad/ 09 / 2004	April 08, 2004	April 7, 2008
2.	Provisional Drainage NOC	PP/JN/-/437/2005	July 16, 2005	NA (Final NOC at the time of Completion supersedes this Provisional NOC)
3.	Provisional Tree NOC	Udyan / 3 / KV / 41 / 2005	July 11, 2005	NA (Final NOC at the time of Completion supersedes this Provisional NOC)
4.	Tax NOC	Ther / KV / 10 / 62 / 2005	December 6, 2005	NA

II. Approvals/Licenses for which applications have been made

Sr. No.	Description	Reference/ License No.	Issue Date	Expiry Date
1.	Completion Certificate	029/001/10015/ 2006-2007/00085	July 29, 2006	

III. Approvals/Licenses which remain to be obtained up till the Occupancy Certificate

1) **Commencement Certificate (Building Permission)**

2) **Plinth checking certificate**

3) **No Objection Certificates [Final]** - Fire, Water, Drainage, Lift, Tree, Encroachment, Tax, Development Plan, Road, structural stability- from the relevant departments of the concerned municipal corporations

5. BIZZ BAY 1:

I. Approvals/ Licenses obtained

Sr. No.	Description	Reference/ License No.	Issue Date	Expiry Date
1.	Commencement Certificate (Development Plan)	DPO / 9009 / F / KK / 122	Feb. 6, 2006	Feb. 5, 2010
2.	Commencement Certificate (Building Permission)	CC / 1968 / 06	Sept. 5, 2006	Sept. 4, 2010
3.	Plinth Checking Certificate -	BCO/14/02/161	June 11, 2007	-

II. Approvals/Licenses for which applications have been made

None

III. Approvals/Licenses which remain to be obtained up till the Occupancy Certificate

Plinth checking certificate

1) **No Objection Certificates [Final] -** Fire, Water, Drainage, Lift, Tree, Encroachment, Tax, Development Plan, Road, structural stability- from the relevant departments of the concerned municipal corporations

2) **Completion Certificate**

6. BIZZ BAY 2:

I. Approvals/ Licenses obtained

Sr. No.	Description	Reference/ License No.	Issue Date	Expiry Date
1.	Commencement Certificate (Development Plan)	DPO / 9048 / F / KK / 123	Feb. 6, 2006	Feb. 5, 2010
2.	Commencement Certificate (Building Permission)	CC / 1040/ 06	June 21, 2006	June 20, 2010
3.	Plinth Checking Certifcate	BCO/14/2/430	Nov. 13, 2006	-

II. Approvals/Licenses for which applications have been made

None

III Approvals/Licenses which remain to be obtained up till the Occupancy Certificate

Plinth checking certificate

1) **No Objection Certificates [Final] -** Fire, Water, Drainage, Lift, Tree, Encroachment, Tax, Development Plan, Road, structural stability- from the relevant departments of the concerned municipal corporations

2) **Completion Certificate**

7. <u>GIGASPACE COMMERCIAL:</u>

I. Approvals/ Licenses obtained

Sr. No.	Description	Reference/ License No.	Issue Date	Expiry Date
1.	Commencement Certificate (Development Plan)	DPO / 339/ V / 63	July 15, 2005	July 14, 2009

II. Approvals/Licenses for which applications have been made

None

III Approvals/Licenses which remain to be obtained up till the Occupancy Certificate

1) **Commencement Certificate (Building Permission)**
2) **Plinth checking certificate**
3) **No Objection Certificates [Final] -** Fire, Water, Drainage, Lift, Tree, Encroachment, Tax, Development Plan, Road, structural stability- from the relevant departments of the concerned municipal corporations
4) **Completion Certificate**

8. <u>SHOPPERS ORBIT</u>

I. Approvals/ Licenses obtained

Sr. No.	Description	Reference/ License No.	Issue Date	Expiry Date
1.	Commencement Certificate (Development Plan)	DPO/790/V/84	April 27, 2006	April 26, 2010
2.	Commencement Certificate (Building Permission)	CC/1013/06	June 17, 2006	June 16, 2010
3.	Provisional Fire NOC	FB/1094	August 21, 2006	NA (Final NOC at the time of Completion supersedes this Provisional NOC)
4.	Plinth Checking Certificate	BCO/03/006	April 9, 2007	-

II. Approvals/Licenses for which applications have been made

None

III. Approvals/Licenses which remain to be obtained up till the Occupancy Certificate

1) **Plinth checking certificate**
2) **No Objection Certificates [Final]** - Fire, Water, Drainage, Lift, Tree, Encroachment, Tax, Development Plan, Road, structural stability- from the relevant departments of the concerned municipal corporations
3) **Environment Clearance**
4) **Completion Certificate**

9. **E-SPACE:**

I. Approvals/ Licenses obtained

Sr. No.	Description	Reference/ License No.	Issue Date	Expiry Date
1.	Commencement Certificate (Development Plan)	DPO/694/11/52	April 21, 2005	April 20, 2009
2.	Commencement Certificate (Building Permission)	CC/3859/06	Feb 7, 2006	Feb 6, 2010
3.	Water Meter NOC	BMV/146	Sept 28, 2006	NA (Final NOC at the time of Completion supersedes this Provisional NOC)
4.	Certificate	BCO/03/011/2536	April 25, 2007	-

II. Approvals/Licenses for which applications have been made

Completion Certificate

III. Approvals/Licenses which remain to be obtained up till the Occupancy Certificate

Plinth checking certificate

1) **No Objection Certificates [Final]** - Fire, Water, Drainage, Lift, Tree, Encroachment, Tax, Development Plan, Road, structural stability- from the relevant departments of the concerned municipal corporations

2) **Completion Certificate**

10. **PROJECT GREEN GROVES, WAGHOLI**

Sr. No.	Description	N.A. Order No.	Issue Date	Expiry Date
1.	Commencement Certificate/ Non-agricultural Order	PMH/NA/SR/ 410/06	Jan. 29, 2007	NA

11. **PROJECT LUSH COUNTY, WAGHOLI**

Sr. No.	Description	N.A. Order No.	Issue Date	Expiry Date
1.	Commencement Certificate/ Non-agricultural Order	PMH/NA/SR/ 512/06	Sept. 03, 2007	NA

(B) PROPOSED PROJECTS

1. The Company has applied for the following approvals and licenses in connection with the following projects:

- **PROJECT ALERIA KHARADI (S.No. 42)**

Sr. No.	Description	Acknowledgement No.	Issue Date	Expiry Date
1.	Commencement Certificate (Development Plan)	CE/DP/202/06	Oct. 30, 2006	NA

- **PROJECT PIMPLE NILAKH**

Sr. No.	Description	Acknowledgement No.	Issue Date	Expiry Date
1.	Provisional Drainage NOC	034/001/10025/ 2006-2007/491	Dec. 16, 2006	NA (Final NOC at the time of Completion supersedes this Provisional NOC)
2.	Provisional Water NOC	034/001/10023/ 2006-2007/507	Dec. 16, 2006	NA (Final NOC at the time of Completion supersedes this Provisional NOC)
3.	Provisional Tree NOC	038/001/10059/ 2006-2007/412	Dec. 16, 2006	NA (Final NOC at the time of Completion supersedes this Provisional NOC)
4.	Provisional Fire NOC	Yet to be received		NA (Final NOC at the time of Completion supersedes this Provisional NOC)

- **PROJECT HINJEWADI SERVICED APARTMENTS**

Sr. No.	Description	Acknowledgement No.	Issue Date	Expiry Date
1.	Commencement Certificate/ Non-agricultural Order	PMH/NASR/CR-59/06	August 3, 2006	NA

- **PROJECT TERASPACE IT PARK KHARADI (S. No. 40)**

Approvals/ Licenses obtained

Sr. No.	Description	Reference/ License No.	Issue Date	Expiry Date
1.	NOC from Drainage Department (for Nallah channelling)	2319	Oct. 12, 2006	NA
2	Commencement Certificate	DPO/II/504/G/117	26/06/2007	NA

Approvals/Licenses for which applications have been made

Sr. No.	Description	Acknowledgement No.	Issue Date	Expiry Date
1.	Commencement Certificate (Development Plan)	DP/4342/02006	Oct. 6, 2006	NA

An Application for Commencement Certificate has been filed for the following projects:

1) Bavdhan
2) Boat Club Road
3) Hosur Road
4) Kharadi S. No. 53&54
5) Kharadi S. No. 53&54 (with reservation)
6) Maple Leaves (Mohammadwadi (Sarin))
7) Jambhe
8) Jambhe

In addition to the Commencement Certificate, the following approvals will have to be obtained at appropriate stages:

1) Commencement Certificate (Development Plan and Building Permission) by PMC or PCMC/Non-Agricultural Order by the Collector
2) No Objection Certificates [Final and Provisional] - Fire, Water, Drainage, Lift, Tree, Encroachment, Tax, Development Plan, Road, structural stability- from the relevant departments of the concerned municipal corporations
3) Plinth checking certificate
4) Environmental Clearance – depending upon the size of the project
5) Completion Certificate
6) Occupancy Certificate

C. Completed Projects

Occupancy Certificates or equivalent thereof have been obtained in respect of the following projects:

1. Project Patil Regency
2. Project Greenfields
3. Project Maestros
4. Project Ragdari
5. Project Precious Gem
6. Project Patil Heritage
7. Project Orchids
8. Project Rose Parade
9. Project Sovereign
10. Project Lapis Lazuli
11. Project Patil Plaza
12. Project Patil Arcade
13. Project City Mall
14. Project City Point
15. Project Giga Space
16. Project Floriana Estate
17. Project Green Acres

The Company is yet to obtain the Completion Certificate and/or the Equivalent thereof in respect of the following projects:

1. Project Pink City
2. Project Mayur Pankh

The Company does not require a Completion Certificate and/or the Equivalent thereof in respect of the following projects as they fall within the purview of the Integrated Township Scheme:

1. Project Misty Moors
2. Project Hills & Dales

D. Other Pending Approvals

Our Company has filed an application at the Trademarks Registry to register its logo in the name of Kolte Patil Developers Limited as a trademark vide Application No. 1606224 dated September 27, 2007.

OTHER REGULATORY AND STATUTORY DISCLOSURES

AUTHORITY FOR THE PRESENT ISSUE

Pursuant to Section 81(1A) of the Companies Act the present issue of Equity Shares has been authorized vide a resolution passed by the Board of Directors at its meeting held on November 17, 2006 and a Special Resolution passed at the Extra-Ordinary General Meeting of our Company held on December 9, 2006.

PROHIBITION BY SEBI

Our Company, our Directors, our Promoters, our Subsidiaries, our group companies, any of our Company's or group companies' associates, companies that are promoted by our Promoters, and companies with which our Directors are associated as directors or promoters have not been prohibited from accessing the capital markets under any direction or order passed by SEBI. None of the bodies corporate / natural persons in control of the corporate bodies forming part of the promoter group have been restrained from accessing capital markets under any direction or order passed by SEBI or any other authorities.

Further, our Promoters and their relatives have confirmed that they have not been detained as willful defaulters by RBI or any other government authority and there are no violations of securities laws committed by them in the past or pending against them. Entities of our Promoter Group do not appear on the RBI defaulter list, nor are there any violations of securities laws committed by them in the past or pending against them.

APPROPRIATE CLAUSES

We are eligible for this Issue as per clause 2.2.1 of the SEBI Guidelines as we are in compliance with the conditions specified therein. Clause 2.2.1 of the SEBI Guidelines states as follows:

"2.2.1 An unlisted company may make an initial public offering (IPO) of equity shares or any other security which may be converted into or exchanged with equity shares at a later date, only if it meets all the following conditions:

a) The company has net tangible assets of at least Rs. 3 crores in each of the preceding 3 full years (of 12 months each), of which not more than 50% is held in monetary assets:

Provided that if more than 50% of the net tangible assets are held in monetary assets, the company has made firm commitments to deploy such excess monetary assets in its business/project;

b) The company has a track record of distributable profits in terms of Section 205 of the Companies Act, 1956, for at least three (3) out of immediately preceding five (5) years;

Provided further that extraordinary items shall not be considered for calculating distributable profits in terms of Section 205 of The Companies Act, 1956;

c) The company has a net worth of at least Rs. 1 crore in each of the preceding 3 full years (of 12 months each);

d) In case the company has changed its name within the last one year, atleast 50% of the revenue for the preceding 1 full year is earned by the company from the activity suggested by the new name; and

e) The aggregate of the proposed issue and all previous issues made in the same financial year in terms of size (i.e., offer through offer document + firm allotment + promoters' contribution through the offer document), does not exceed five (5) times its pre-issue networth as perthe audited balance sheet of the last financial year.)"

Kolte-Patil Developers Limited is eligible for the proposed Initial Public Offering Equity Shares in accordance with Clause 2.2.1 of the SEBI Guidelines as explained under: (the eligibility criteria has been calculated in accordance with financial statements under Indian GAAP)

The following sub-clauses of Clause 2.2.1 of the SEBI Guidelines are satisfied by Kolte-Patil Developers Limited (as per the eligibility certificate dated October 10, 2007 issued by the auditors M/s. SPCM & Associates, Chartered Accountants)

(a) The company has net tangible assets of at least Rs. 3 crores in each of the preceding 3 full years (of 12 months each), of which not more than 50% is held in monetary assets:

(b) The company has a track record of distributable profits in terms of Section 205 of the Companies Act, 1956, for at least three (3) out of immediately preceding five (5) years;

(c) The company has a net worth of at least Rs. 1 crore in each of the preceding 3 full years (of 12 months each)

(d) The company has not changed its name within the last one year; and

(e) The aggregate of the proposed issue and all previous issues made in the same financial year in terms of size (i.e., offer through offer document + firm allotment + promoters' contribution through the offer document), does not exceed five (5) times its pre-issue networth as per the audited balance sheet of the last financial year i.e. 2006-2007.

The Company's net tangible assets, monetary assets, net profit of Kolte-Patil Developers Limited and net worth derived from our Audit Report dated 29th September 2007 as at 30th June 2007, and for the last five years ended FY 2007 are set forth below:

(In Rs.millions)

	CONSOLIDATED		UNCONSOLIDATED				
	Jun-07	**Jun-06**	**FY2007**	**FY2006**	**FY2005**	**FY2004**	**FY2003**
Net Tangible Assets (1)	1,920.66	740.51	1,632.05	475.85	286.09	321.01	124.66
Monetary Assets (2)	24.89	4.32	31.50	16.84	8.18	9.63	2.31
Net Profits, as restated	338.76	93.72	835.61	28.02	24.25	49.10	25.25
Net Worth, as restated	2,148.13	276.13	1,813.18	185.30	160.40	136.12	86.99

(1) Net tangible assets is defined as the sum of fixed assets (including capital work in progress and excluding revaluation reserves), current assets (excluding deferred tax assets) less current liabilities (excluding deferred tax liabilities and long term liabilities)

(2) Monetary assets include cash on hand and bank. Detailed figures are given in the Auditor's Report dated September 29, 2007 pertaining to the Initial Public Offering of Kolte-Patil Developers Limited.

The distributable profits of the Company as per section 205 of the Companies Act has been calculated from the audited financial statements of the respective years /period before making adjustments for restatement of Financial Statements.

DISCLAIMER CLAUSE

"AS REQUIRED, A COPY OF THE RED HERRING PROSPECTUS HAS BEEN SUBMITTED TO SEBI. IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF THE RED HERRING PROSPECTUS TO SEBI SHOULD NOT, IN ANY WAY, BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE ISSUE IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE RED HERRING PROSPECTUS. THE BOOK RUNNING LEAD MANAGERS, DSP MERRILL LYNCH LIMITED AND EDELWEISS CAPITAL LIMITED HAS CERTIFIED THAT THE DISCLOSURES MADE IN THE RED HERRING PROSPECTUS ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE DIP GUIDELINES FOR DISCLOSURES AND INVESTOR PROTECTION AS FOR THE TIME BEING IN FORCE. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING AN INVESTMENT IN THE PROPOSED OFFER.

IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE COMPANY IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THE RED HERRING PROSPECTUS, THE BOOK RUNNING LEAD MANAGERS ARE EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE COMPANY DISCHARGES ITS RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE BOOK RUNNING LEAD MANAGERS, DSP MERRILL LYNCH AND EDELWEISS CAPITAL LIMITED HAVE FURNISHED TO SEBI, A DUE DILIGENCE CERTIFICATE DATED FEBRUARY 5, 2007 IN ACCORDANCE WITH THE SEBI (MERCHANT BANKERS) REGULATIONS, 1992 WHICH READS AS FOLLOWS:

1. **WE HAVE EXAMINED VARIOUS DOCUMENTS INCLUDING THOSE RELATING TO LITIGATION AND OTHER MATERIALS IN CONNECTION WITH THE FINALISATION OF THE RED HERRING PROSPECTUS PERTAINING TO THE OFFER.**
2. **ON THE BASIS OF SUCH EXAMINATION AND THE DISCUSSIONS WITH THE COMPANY, ITS DIRECTORS AND OTHER OFFICERS, OTHER AGENCIES, INDEPENDENT VERIFICATION OF THE STATEMENTS CONCERNING THE OBJECTS OF THE OFFER, PROJECTED PROFITABILITY, PRICE JUSTIFICATION AND THE CONTENTS OF THE DOCUMENTS MENTIONED IN THE ANNEXURE AND OTHER PAPERS FURNISHED BY THE COMPANY, WE CONFIRM THAT:**
   - **THE RED HERRING PROSPECTUS FORWARDED TO SEBI IS IN CONFORMITY WITH THE DOCUMENTS, MATERIALS AND PAPERS RELEVANT TO THE OFFER;**

- **ALL THE LEGAL REQUIREMENTS CONNECTED WITH THE OFFER AS ALSO THE GUIDELINES, INSTRUCTIONS, ETC., ISSUED BY SEBI, THE GOVERNMENT AND ANY OTHER COMPETENT AUTHORITY IN THIS BEHALF HAVE BEEN DULY COMPLIED WITH; AND**
- **THE DISCLOSURES MADE IN THE RED HERRING PROSPECTUS ARE TRUE, FAIR AND ADEQUATE TO ENABLE THE INVESTORS TO MAKE A WELL INFORMED DECISION AS TO THE INVESTMENT IN THE PROPOSED OFFER.**

3. **WE CONFIRM THAT BESIDES OURSELVES, ALL THE INTERMEDIARIES NAMED IN THE RED HERRING PROSPECTUS ARE REGISTERED WITH SEBI AND THAT TILL DATE SUCH REGISTRATIONS ARE VALID.**
4. **WHEN UNDERWRITTEN WE SHALL SATISFY OURSELVES ABOUT THE WORTH OF THE UNDERWRITERS TO FULFIL THEIR UNDERWRITING COMMITMENTS.**
5. **WE CERTIFY THAT WRITTEN CONSENT FROM SHAREHOLDERS HAS BEEN OBTAINED FOR INCLUSION OF THEIR SECURITIES AS PART OF PROMOTER'S CONTRIBUTION SUBJECT TO LOCK-IN AND THE SECURITIES PROPOSED TO FORM PART OF PROMOTER'S CONTRIBUTION SUBJECT TO LOCK-IN, WILL NOT BE DISPOSED/ SOLD/TRANSFERRED BY THE PROMOTERS DURING THE PERIOD STARTING FROM THE DATE OF FILING THE PROSPECTUS WITH THE BOARD TILL THE DATE OF COMMENCEMENT OF LOCK-IN PERIOD AS STATED IN THIS RED HERRING PROSPECTUS.**

ALL LEGAL REQUIREMENTS PERTAINING TO THE OFFER WERE COMPLIED WITH AT THE TIME OF FILING OF THE RED HERRING PROSPECTUS WITH THE ROC IN TERMS OF SECTION 60B OF COMPANIES ACT, ALL LEGAL REQUIREMENTS PERTAINING TO THE OFFER HAVE BEEN COMPLIED WITH AT THE TIME OF REGISTRATION OF THE PROSPECTUS WITH THE ROC IN TERMS OF SECTION 56, SECTION 60 AND SECTION 60B OF THE COMPANIES ACT.

THE BOOK RUNNING LEAD MANAGERS AND US ACCEPT NO RESPONSIBILITY FOR STATEMENTS MADE OTHERWISE THAN IN THE RED HERRING PROSPECTUS OR IN THE ADVERTISEMENT OR ANY OTHER MATERIAL OFFERED BY OR AT OUR INSTANCE AND ANYONE PLACING RELIANCE ON ANY OTHER SOURCE OF INFORMATION WOULD BE DOING SO AT HIS OWN RISK.

THE FILING OF THE RED HERRING PROSPECTUS AND PROSPECTUS DOES NOT, HOWEVER, ABSOLVE THE COMPANY FROM ANY LIABILITIES UNDER SECTION 63 AND SECTION 68 OF COMPANIES ACT OR FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY AND OTHER CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE PROPOSED OFFER. SEBI FURTHER RESERVES THE RIGHT TO TAKE UP AT ANY POINT OF TIME, WITH THE BOOK RUNNING LEAD MANAGER, ANY IRREGULARITIES OR LAPSES IN THE RED HERRING PROSPECTUS AND PROSPECTUS."

GENERAL DISCLAIMER

Investors that bid in the Issue will be required to confirm and will be deemed to have represented to the Company and the Underwriters and their respective directors, officers, agents, affiliates and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares and will not offer, sell, pledge or transfer the Equity Shares to any person who is not eligible under applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares. The Company and the Underwriters and their respective directors, officers, agents, affiliates and representatives accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire Equity Shares of the company.

Investors may note that the Company and BRLMs accepts no responsibility for statements made otherwise in this Red Herring Prospectus or in the advertisements or any other material issued by or at the instance of the Company or the Book Running Lead Managers and that anyone placing reliance on any other source of information would be doing so at his / her own risk.

The BRLMs accept no responsibility, save to the limited extent as provided in the Underwriting Agreement to be entered into between the Underwriters and the Company and the Memorandum of Understanding between the BRLMs and the Company entered on February 05, 2007.

Our Company and the BRLMs shall make all information available to the public and investors at large and no selective or additional information would be available for a section of the investors in any manner whatsoever including at road show presentations, in research or sales reports or at bidding centers etc.

Neither the Company nor the Syndicate is liable to the Bidders for any failure in downloading the Bids due to faults in any software/hardware system or otherwise.

DISCLAIMER IN RESPECT OF JURISDICTION

This issue is made in India to persons resident in India (including Indian nationals resident in India who are majors, Hindu Undivided Families, Companies, Corporate Bodies and Societies registered under the applicable laws in India and authorized to invest in shares, Indian Mutual Funds registered with the SEBI, Indian financial institutions, commercial banks and regional rural banks, co-operative banks (subject to RBI permission), Trusts (registered under Societies Registration Act, 1860, or any other Trust law and are authorized under their constitution to hold and invest in shares) and to NRIs and FIIs as defined under the Indian Laws. This Red Herring Prospectus does not, however, constitute an offer to sell or an invitation to subscribe to shares issued hereby in any other jurisdiction to any person to whom it is unlawful to make an offer or invitation in such jurisdiction. Any person into whose possession this Red Herring Prospectus comes is required to inform himself about and to observe any such restrictions.

Any disputes arising out of this Issue will be subject to the jurisdiction of courts in Mumbai, India only.

No action has been or will be taken to permit a public offering in any jurisdiction where action would be required for that purpose, except that this Red Herring Prospectus has been submitted to the SEBI for its observations. Accordingly, the Equity Shares, represented thereby may not be offered or sold, directly or indirectly, and this Red Herring Prospectus may not be distributed in any jurisdiction, except in accordance with the legal requirements applicable in such jurisdiction. Neither the delivery of this Red Herring Prospectus nor any sale hereunder shall, under any circumstances create any implication that there has been no change in the affairs of the Company since the date hereof or that the information contained herein is correct as of any time subsequent to this date.

The Equity Shares have not been and will not be registered under the U.S. Securities Act of 1933, (the "Securities Act") or any state securities laws in the United States and may not be offered or sold within the United States or to, or for the account or benefit of, "U.S. persons" (as defined in Regulation S under the Securities Act), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. Accordingly, the Equity Shares will be offered and sold only (i) in the United States to "qualified institutional buyers", as defined in Rule 144A under the Securities Act, and (ii) outside the United States in compliance with Regulation S and the applicable laws of the jurisdiction where those offers and sales occur

DISCLAIMER CLAUSE OF SEBI

A copy of the Red Herring Prospectus had been filed with the Corporate Finance Department of SEBI at SEBI Bhavan, Plot No.C4-A, 'G' Block, Bandra Kurla Complex, Bandra (East), Mumbai 400 051.

It is to be distinctly understood that submission of the Red Herring Prospectus to SEBI should not, in any way, be deemed or construed that the same has been cleared or approved by SEBI. SEBI does not take any responsibility either for the financial soundness of any scheme or the project for which the issue is proposed to be made or for the correctness of the statements made or opinions expressed in the Red Herring Prospectus. The Book Running Lead Managers, DSP Merrill Lynch Limited and Edelweiss Capital Limited have certified that the disclosures made in the Red Herring Prospectus are generally adequate and are in conformity with SEBI (Disclosure and Investor Protection) Guidelines, 2000 as for the time being in force. This requirement is to facilitate investors to take an informed decision for making an investment in the proposed issue.

DISCLAIMER CLAUSE OF BOMBAY STOCK EXCHANGE LIMITED (BSE)

As required, a copy of the Draft Red Herring Prospectus has been submitted to BSE. The BSE has given vide its letter dated April 16th 2007, permission to this Company to use the Exchange's name in this Red Herring Prospectus as one of the Stock Exchange on which this Company's securities are proposed to be listed. The BSE has scrutinized the Draft Red Herring Prospectus for its limited internal purpose of deciding on the matter of granting the aforesaid permission to this Company. The Exchange does not in any manner:

i. warrant, certify or endorse the correctness or completeness of any of the contents of the Draft Red Herring prospectus; or

ii. warrant that this Company's securities will be listed or will continue to be listed on the BSE; or

iii. take any responsibility for the financial or other soundness of this Company, its Promoters, its management or any scheme or project of this Company;

and it should not for any reason be deemed or construed that the Draft Red Herring Prospectus has been cleared or approved by the Exchange. Every person who desires to apply for or otherwise acquires any securities of this Company may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the Exchange whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription / acquisition whether by reason of anything stated or omitted to be stated herein or any other reason whatsoever".

DISCLAIMER CLAUSE OF THE NATIONAL STOCK EXCHANGE OF INDIA LIMITED (NSE)

As required, a copy of the Draft Red Herring Prospectus has been submitted to NSE. NSE has given vide its letter dated April 5th, 2007 permission to the Issuer to use the Exchange's name in this Red Herring Prospectus as one of the stock exchanges on which this Issuer's securities are proposed to be listed. The Exchange has scrutinized the Draft Red Herring Prospectus for its limited internal purpose of deciding on the matter of granting the aforesaid permission to this Issuer. It is to be distinctly understood that the aforesaid permission given by NSE should not in any way be deemed or construed that the Draft Red Herring Prospectus has been cleared or approved by NSE nor does not it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of the the Draft Red Herring Prospectus; nor does it warrant that this Issuer's securities will be listed or will continue to be listed on the NSE; nor does it take any responsibility for the financial or other soundness of this Issuer, its Promoters, its management or any scheme or project of this Issuer".

"Every person who desires to apply for or otherwise acquire any securities of this Issuer may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the Exchange whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription / acquisition whether by reason of anything stated or omitted to be stated herein or any other reason whatsoever".

UNDERTAKING FROM PROMOTERS AND DIRECTORS

The Issuer accepts full responsibility for the accuracy for the information given in this Red Herring Prospectus and confirms that to the best of their knowledge and belief, there are no other facts, their omission of which makes any statement in this Red Herring Prospectus misleading and they further confirm that they have made all reasonable inquiries to ascertain such facts. The Issuer further declares that the Stock Exchanges to which an application for official quotation is proposed to be made do not take any responsibility for the financial soundness of this Iissue or for the price at which the equity shares are offered or for the correctness of the statement made or opinions expressed in this Red Herring Prospectus. The promoters/directors declare and confirm that no information / material likely to have a bearing on the decision of investors in respect of the shares offered in terms of this Red Herring Prospectus has been suppressed, withheld and/or incorporated in the manner that would amount to mis-statement, misrepresentation and in the event of its transpiring at any point of time till allotment/refund, as the case may be, that any information/material has been suppressed /withheld and/or amounts to a mis-statement/ mis-representation, the promoters/directors undertake to refund the entire application monies to all the subscribers within 7 days thereafter without prejudice to the provisions of Section 63 of the Companies Act.

FILING

A copy of this Red Herring Prospectus has been filed with SEBI at Corporation Finance Department, Plot No. C4-A, G Block, Bandra Kurla Complex, Bandra East, Mumbai – 400 051.

A copy of the Red Herring Prospectus, along with documents to be filed under Section 60 of the Act, would be delivered for registration to the Registrar of Companies.

LISTING

The Equity Shares issued through this Red Herring Prospectus are proposed to be listed on the Bombay Stock Exchange Limited and the National Stock Exchange of India Limited. Initial listing applications have been made to the Bombay Stock Exchange Limited and National Stock Exchange of India Limited for permission to list the Equity Shares and for an official quotation of the equity shares of the Company.

In case the permission for listing of the Equity Shares is not granted by any of the above mentioned Stock Exchanges, the Company shall forthwith repay, without interest, all moneys received from the applicants in pursuance of the Red Herring Prospectus. If such money is not repaid within 8 days after the day from which the Issuer becomes liable to repay it, then the Company and every director of the Company who is an officer in default shall, on and from expiry of 8 days, be jointly and severally liable to repay that money with interest as prescribed under Section 73 of the Companies Act.

Our Company with the assistance of the Book Running Lead Managers shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at the Stock Exchanges mentioned above are taken within seven working days of finalisation of basis of allotment for the Issue.

IMPERSONATION

Attention of the applicants is specifically drawn to the provisions of Sub-Section (1) of Section 68A of the Companies Act which is reproduced below:

“Any person who-

(a) **makes in a fictitious name an application to a Company for acquiring, or subscribing for, any shares therein, or**

(b) **otherwise induces a Company to allot or register any transfer of shares therein to him, or any other person in a fictitious name, shall be punishable with imprisonment for a term which may extend to five years.”**

CONSENTS

The written consents of Promoters, Directors, Company Secretary, Auditor, Legal Advisor, Book Running Lead Managers to the Issue, Syndicate Member to the Issue, Registrar to the Issue, Underwriter to the Issue, Bankers to the Company and Bankers to the Issue to act in their respective capacities, have been obtained and will be filed along with a copy of the Red Herring Prospectus with the Registrar of Companies, is as required under Section 60 and 60B of the Companies Act and such consents have not been withdrawn up to the time of delivery of the Red Herring Prospectus for registration.

M/s. SPCM & Associates, Chartered Accountants, our statutory auditors have given their written consent to the inclusion of their report in the form and context in which it appears in this Red Herring Prospectus and such consent and report has not been withdrawn up to the time of delivery of this Red Herring Prospectus for registration to the Registrar of Companies.

M/s. SPCM & Associates, Chartered Accountants have given their written consent to the tax benefits accruing to our Company and its members in the form and context in which it appears in this Red Herring Prospectus and has not withdrawn such consent up to the time of delivery of this Red Herring Prospectus for registration with the Registrar of Companies.

EXPERT OPINION

Our Company has not obtained any expert opinion.

EXPENSES OF THE ISSUE

The expenses of the Issue payable by our Company inclusive of brokerage, fees payable to the Book Running Lead Managers to the Issue, Registrar to the Issue, Legal Advisor, stamp duty, printing, publication, advertising and distribution expenses, bank charges, listing fees and other miscellaneous expenses are estimated as follows:

DETAILS OF FEES PAYABLE

(Rs. *Million.*)

Particulars	**Expenses**	**As a % of the Issue size**	**As a % of the total issue expenses**
Management fees, underwriting commission and brokerage	[•]	[•]	[•]
Marketing and advertisement expenses	[•]	[•]	[•]
Stationery, printing and registrar expenses	[•]	[•]	[•]
Others	[•]	[•]	[•]
Total	[•]	[•]	[•]

Will be completed after the finalization of the issue price.

FEES PAYABLE TO BRLMs

The total fees payable to the BRLMs will be as per the MoU signed between the Company and the BRLMs, a copy of which is available for inspection at the Registered Office of our Company.

FEES PAYABLE TO REGISTRAR TO THE ISSUE

The total fees payable to the Registrar to the Issue will be as per the Memorandum of Understanding signed with between the Company and the Registrar to the Issue, a copy of which is available for inspection at our Registered Office.

The Registrar to the Issue will also be reimbursed with all relevant out-of-pocket expenses such as cost of stationery, postage, stamp duty, communication expenses. Adequate funds will be provided to the Registrar to the Issue to enable them to make refunds to unsuccessful applicants.

OTHERS

The total fees payable to the Legal Advisor, Auditor and tax auditor will be as per the terms of their respective engagement letters.

UNDERWRITING COMMISSION, BROKERAGE AND SELLING COMMISSION

The underwriting commission and selling commission for the Issue is as set out in the Syndicate Agreement entered between our Company, the BRLMs and Syndicate Members on [●]. The underwriting commission shall be paid as set out in the Syndicate Agreement based on the Issue Price and amount underwritten in the manner mentioned in the Red Herring Prospectus.

PREVIOUS PUBLIC OR RIGHTS ISSUES

Our Company has not made any public or rights issue since its inception.

PREVIOUS ISSUE OF SHARES OTHERWISE THAN FOR CASH

Please refer to the section titled 'Capital Structure' and 'History and Other Corporate Matters' beginning on page 14 and 67 of this Red Herring Prospectus for details of shares issued otherwise than for cash.

COMMISSION OR BROKERAGE ON PREVIOUS ISSUES

No sum has been paid or payable as commission or brokerage for subscribing to or procuring or agreeing to procure subscription for any of our Equity Shares since our inception.

OUTSTANDING DEBENTURES OR BOND ISSUES

As on the date of filing this Red Herring Prospectus our Company does not have any outstanding debentures or bond issues.

OUTSTANDING PREFERENCE SHARES

As on the date of filing this Red Herring Prospectus our Company does not have any outstanding preference shares.

PARTICULARS IN REGARD TO THE COMPANY AND OTHER LISTED COMPANIES UNDER THE SAME MANAGEMENT WITHIN THE MEANING OF SECTION 370(1)(B) OF THE COMPANIES ACT WHICH MADE ANY CAPITAL ISSUE DURING THE LAST THREE YEARS

There are no listed companies under the same management within the meaning of Section 370(1)(B) of the Companies Act that made any capital issue during the last three years.

PROMISES Vs PERFORMANCE

Our Company has not made any public issue since its inception. None of our group companies have made any public issue since their respective dates of inception.

OPTION TO SUBSCRIBE

Equity Shares being offered through this Red Herring Prospectus can be applied for in dematerialized form only.

STOCK MARKET DATA

This being the first public issue by our Company, no stock market data is available.

DISCLOSURE ON INVESTOR GRIEVANCES AND REDRESSAL SYSTEM

The MoU between the Registrar to this Issue and our Company entered on January 2, 2007 will provide for retention of records with the Registrar to this Issue for a period of at least one year from the last date of dispatch of the letters of allotment, demat credit and making refunds as per the modes disclosed to enable the investors to approach the Registrar to this Issue for redressal of their grievances.

All grievances relating to this Issue may be addressed to the Registrar to this Issue, giving full details such as name, address of the applicant, number of Equity Shares applied for, amount paid on application and the bank branch or collection center where the application was submitted.

We estimate that the average time required by us or the Registrar to this Issue for the redressal of routine investor grievances will be seven business days from the date of receipt of the complaint. In case of non-routine complaints and complaints where external agencies are involved, we will seek to redress these complaints as expeditiously as possible.

Our Company has appointed Mr. Vinod Patil, Company Secretary as the Compliance Officer and he may be contacted at 2nd Floor, City Point, Dhole Patil Road, Pune - 411 001; Tel No: +91 20 66226500; Fax No. +91 20 66226511; Email: investorrelation@koltepatil.com, for redressal of any complaints.

OTHER DISCLOSURES

Except as discussed in the RHP, the Promoter Company or the Promoter Group Companies or the Directors of the Company, have not purchased or sold any securities of the Company during a period of six months preceeding the date of this RHP.

Our Company will make continous disclosures on stages of development on the material agreements to Stock Exchange on a continous basis, for the purpose of public dissemination.

DISPOSAL OF INVESTOR GREIVANCE BY LISTED COMPANIES UNDER THE SAME MANAGEMENT AS THE COMPANY

There is no listed company under the same management as the Company.

TAX IMPLICATIONS

Investors that are allotted Equity Shares in the Issue will be subject to capital gains tax on any resale of the Equity Shares at applicable rates, depending on the duration for which the investors have held the Equity Shares prior to such resale and whether the Equity Shares are sold on the stock exchanges. For details, please refer to the Financial Statements beginning on page 103 of the Red Herring Prospectus.

CHANGES IN THE AUDITORS DURING LAST THREE YEARS AND REASONS THEREOF

There have been no changes in the auditors of the Company during the last three years.

CAPITALISATION OF RESERVES OR PROFITS DURING THE LAST FIVE YEARS

At the Extraordinary General Meeting of our Company held on November 18, 2006, our shareholders approved the issue of bonus Equity Shares in the ratio of 4 Equity Shares for every 1 Equity Share of our Company. Accordingly, 21,902,252 Equity Shares of Rs. 10 each were issued by our Company as bonus by way of capitalisation of our profits.

REVALUATION OF ASSETS DURING THE LAST FIVE YEARS

Our Company has not revalued its assets during the last five years.

SECTION VII: ISSUE INFORMATION

ISSUE STRUCTURE

Public Issue of 19,000,836 Equity Shares of face value of Rs. 10 each for cash at a price of Rs. [●] per Equity Share aggregating Rs. [●] million (hereinafter referred to as the "Issue"). The Issue comprises of a reservation for Eligible Employees of 188,127 Equity Shares of Rs. 10 each and a net issue to the public of 18,812,709 Equity Shares of Rs. 10 each (hereinafter referred to as the "Net Issue"). The Issue will aggregate 19,000,836 Equity Shares amounting to Rs. [●] million.The Issue will constitute 25.25% of the total post issue paid-up equity capital of our Company. The Issue is being made through the 100% Book Building Process:

Particulars	Employees	QIBs	Non-Institutional Bidders	Retail Individual Bidders
Number of Equity Shares*	Upto 188,127 Equity Shares	Not more than 9,406,355 Equity Shares or Net Issue to the public less allocation to Non-Institutional Bidders and Retail Individual Bidders	Not less than 2,821,906 Equity Shares	Not less than 6,584,448 Equity Shares
Percentage of Issue Size available for allocation	Upto 1% of the Net Issue to Public	Not more than 50% (of which 5% shall be reserved for Mutual Funds) of Net Issue less allocation to Non-Institutional Bidders and Retail Individual Bidders *	Not less than 15% of Net Issue*	Not less than 35% of Net Issue *
Basis of allocation, if respective category is oversubscribed	Proportionate	Proportionate	Proportionate	Proportionate
Minimum Bid	40 Equity Shares and in multiples of 40 Equity Shares thereafter	Such number of Equity Shares so that the Bid Amount exceeds Rs. 100,000 and in multiples of 40 Equity Shares thereafter	Such number of Equity Shares so that the Bid Amount exceeds Rs.100,000 and in multiples of 40 Equity Shares thereafter	40 Equity Shares and in multiples of 40 Equity Shares thereafter
Maximum Bid	Such number of Equity Shares so as to ensure that the bid amount does not exceed Rs. 100,000	Not exceeding the size of the Issue subject to regulations as applicable to the Bidder	Not exceeding the size of the Issue	Such number of Equity Shares so as to ensure that the Bid Amount does not exceed Rs. 100,000
Mode of Allotment	Compulsorily in dematerialized form	Compulsorily in dematerialized form	Compulsorily in dematerialized form	Compulsorily in dematerialised form
Trading Lot	One Equity Share	One Equity Share	One Equity Share	One Equity Share
Who can Apply **	Eligible Employees of the Company as defined on page (iii)	Public financial institutions, as specified in Section 4A of the Companies Act: scheduled commercial banks, mutual funds, foreign institutional investor registered with SEBI, multilateral and bilateral development financial institutions, Venture Capital Funds registered with SEBI,	Resident Indian individuals, HUF (in the name of Karta), companies, corporate bodies, NRIs, societies and trusts	Individuals (including NRIs and HUFs in the name of karta) applying for Equity Shares such that the Bid Amount does not exceed Rs. 100,000 in value

		foreign Venture capital investors registered with SEBI, State Industrial Development Corporations, permitted insurance companies registered with the Insurance Regulatory and Development Authority, provident funds with minimum corpus of Rs. 250 mn. and pension funds with minimum corpus of Rs. 250 million in accordance with applicable law		
Terms of Payment	Margin Amount applicable to Employees at the time of submission of Bid cum Application Form to the Member of Syndicate	Margin Amount applicable to QIB Bidder at the time of submission of Bid cum Application Form to the Member of Syndicate	Margin Amount applicable to Non-institutional Bidder at the time of submission of Bid cum Application Form to the Member of Syndicate	Margin Amount applicable to Retail Individual Bidder at the time of submission of Bid cum Application Form to the Member of Syndicate
Margin Amount	Full Bid Amount on bidding	10% of the Bid Amount in respect of bids placed by QIB Bidder	Full Bid Amount on bidding	Full Bid Amount on bidding

* Subject to valid Bids being received at or above the Issue Price, under-subscription, if any, in QIBs, Non-Institutional and Retail Individual categories would be allowed to be met with spillover inter-se from any other categories, at the sole discretion of our Company, BRLMs and subject to applicable provisions of SEBI Guidelines.

The unsubscribed portion, if any, out of the Equity Shares reserved for allotment to Eligible Employees of our Company will be added back to the net issue to any other category, at the discretion of our Company and the BRLMs.

** In case the Bid Cum Application Form is submitted in joint names, the investors should ensure that the demat account is also held in the same joint names and in the same sequence in which they appear in the Bid Cum Application Form.

Withdrawal of the Issue

The Company, in consultation with the BRLMs, reserves the right not to proceed with the Issue at any time after the Bid/Issue Opening Date but before the Allotment, without assigning any reason therefor. Notwithstanding the foregoing, the Issue is also subject to obtaining the final listing and trading approvals of the Stock Exchanges, which the Company shall apply for after Allotment.

Letters of Allotment or Refund Orders

The Company shall credit each beneficiary account with its depository participant within 15 days of the Bid/Issue Closing Date. Applicants that are residents of 15 cities where clearing houses are managed by the RBI will receive refunds through ECS only (subject to availability of all information for crediting the refund through ECS) except where the applicant is eligible to receive refunds through direct credit and RTGS. In the case of other applicants, the Company shall ensure the dispatch of refund orders, if any, of value up to Rs. 1,500 by “Under Certificate of Posting”, and shall dispatch refund orders above Rs. 1,500, if any, by registered post or speed post at the sole or first Bidder’s sole risk within 15 days of the Bid/Issue Closing Date.

Interest in Case of Delay in Dispatch of Allotment Letters/Refund Orders

In accordance with the Companies Act, the requirements of the Stock Exchanges and the SEBI Guidelines, the Company undertakes that:

- Allotment shall be made only in dematerialised form within 15 days from the Bid/Issue Closing Date;
- Dispatch of refund orders shall be done within 15 days from the Bid/Issue Closing Date; and
- The Company shall pay interest at 15.00% per annum, if Allotment is not made, refund orders are not dispatched to the applicant or if, in a case where the refund or portion thereof is made in electronic mode/manner, the refund instructions

have not been given to clearing members, and/or demat credits are not made to investors within the 15 day time period prescribed above.

The Company will provide adequate funds required for dispatch of refund orders or Allotment advice to the Registrar to the Issue.

Refunds will be made by cheques, pay orders or demand drafts drawn on the Escrow Collection Banks and payable at par at places where Bids are received, except where the refund or portion thereof is made in electronic mode/manner. Bank charges, if any, for encashing such cheques, pay orders or demand drafts at other centres will be payable by the Bidders.

Bid/Issue Program

BID/ISSUE OPENS ON	**NOVEMBER 19, 2007**
BID/ISSUE CLOSES ON	**NOVEMBER 22, 2007**

Bids and any revision in Bids will be accepted only between 10.00 a.m. and 3.00 p.m. (Indian Standard Time) during the Bid/Issue Period as mentioned above at the bidding centres mentioned in the Bid-cum-Application Form except that on the Bid/Issue Closing Date, Bids and any revision in Bids will only be accepted only between 10.00 a.m. and 3.00 p.m. (Indian Standard Time) and uploaded until (i) 5.00 p.m. in case of Bids by QIB Bidders and Non-Institutional Bidders and (ii) such time as permitted by the NSE and the BSE, in case of Bids by Retail Individual Bidders. Due to limitation of time available for uploading the Bids on the Bid/Issue Closing Date, the Bidders are advised to submit their Bids one day prior to the Bid/Issue Closing Date and, in any case, no later than 3.00 p.m. (Indian Standard Time) on the Bid/Issue Closing Date. Bidders are cautioned that in the event a large number of Bids are received on the Bid/Issue Closing Date, as is typically experienced in public offerings, which may lead to some Bids not being uploaded due to lack of sufficient time to upload, such Bids that cannot be uploaded will not be considered for allocation under the Issue. Bids will only be accepted on working days, i.e., Monday to Friday (excluding any public holiday).

The Company, in consultation with the BRLMs, reserves the right to revise the Price Band during the Bidding Period in accordance with the SEBI Guidelines. The cap should not be more than 20% of the floor of the Price Band. Subject to compliance with the immediately preceding sentence, the floor of the Price Band can move up or down to the extent of 20% of the floor of the Price Band disclosed in the Red Herring Prospectus.

In case of revision in the Price Band, the Bidding Period shall be extended for three additional working days after such revision, subject to the Bidding Period not exceeding 10 working days. Any revision in the Price Band, and the revised Bidding Period, if applicable, shall be widely disseminated by notification to the Stock Exchanges, by issuing a press release and also by indicating the change on the websites of the BRLMs and the terminals of the other members of the Syndicate.

TERMS OF THE ISSUE

The Equity Shares being offered are subject to the provisions of the Companies Act, the Memorandum and Articles of Association of the Company, conditions of RBI approval, the terms of this Draft Red Herring Prospectus, Red Herring Prospectus and Prospectus, Bid-cum-Application Form, the Revision Form, the Confirmation of Allocation Note ("CAN") and other terms and conditions as may be incorporated in the Allotment Advice, and other documents/certificates that may be executed in respect of the Issue. The Equity Shares shall also be subject to laws as applicable, guidelines, notifications and regulations relating to the issue of capital and listing and trading of securities issued from time to time by SEBI, Government of India, Stock Exchanges, RBI, ROC and / or other authorities, as in force on the date of the Issue and to the extent applicable.

Authority for the Issue

The Issue of Equity Shares has been authorized by a special resolution adopted pursuant to Section 81(1A) of the Companies Act, 1956 at the Extra-Ordinary General meeting of the shareholders held on December 9, 2006.

Ranking of Equity Shares

The Equity Shares being offered shall be subject to the provisions of the Memorandum and Articles of Association and shall rank pari passu in all respects with the other existing shares of the Company including in respect of the rights to receive dividends.

Mode of payment of dividend

We shall pay dividend to our shareholders as per the provisions of the Companies Act.

Face Value and Issue Price

The Equity Shares with a face value of Rs.10 each are being offered in terms of this Red Herring Prospectus at a price of Rs. [●] per share. At any given point of time, there shall be only one denomination for the Equity Shares of the Company, subject to applicable laws. The issue price is [●] times the face value of the Equity Shares.

Compliance with SEBI Guidelines

The Company shall comply with all disclosure and accounting norms as specified by SEBI from time to time. In this regards we have appointed Mr. Vinod Patil, Company Secretary as the Compliance Officer.

Rights of the Equity Shareholder

Subject to applicable laws, the equity shareholders shall have the following rights:

- Right to receive dividend, if declared;
- Right to attend general meetings and exercise voting powers, unless prohibited by law;
- Right to vote on a poll either in person or by proxy;
- Right to receive offers for rights shares and be allotted bonus shares, if announced;
- Right to receive surplus on liquidation;
- Right of free transferability; and
- Such other rights, as may be available to a shareholder of a listed public company under the Companies Act and Articles of Association of the Company.

For a detailed description of the main provisions of the Articles of Association of KPDL dealing with voting rights, dividend, forfeiture and lien, transfer and transmission and / or consolidation / splitting, please refer to the section titled 'Main provisions of the Articles of Association of our Company' beginning on page 246 of this Red Herring Prospectus.

Market Lot

The Equity Shares of the Company shall be allotted only in dematerialized form. In terms of existing SEBI Guidelines, the trading in the Equity Shares of the Company shall only be in dematerialized form for all investors. Since trading of our Equity Shares is in dematerialized mode, the tradable lot is one Equity Share. Allocation and allotment of Equity Shares through this Issue will be done only in electronic form, in multiple of one Equity Share, subject to a minimum allotment of 40 Equity Shares. For details of allocation and allotment, please refer to the section titled 'Issue Procedure' beginning on page 224 of this Red Herring Prospectus.

Jurisdiction

Exclusive jurisdiction for the purpose of this Issue is with competent courts / authorities in Mumbai, India.

Nomination Facility to the Investor

In accordance with Section 109A of the Companies Act, the sole or first bidder, along with other joint bidder, may nominate any one person in whom, in the event of the death of sole bidder or in case of joint bidders, death of all the bidders, as the case may be, the Equity Shares allotted, if any, shall vest. A person, being a nominee, entitled to the Equity Shares by reason of the death of the original holder(s), shall in accordance with Section 109A of the Companies Act, be entitled to the same advantages to which he or she would be entitled if he or she were the registered holder of the equity share(s). Where the nominee is a minor, the holder(s) may make a nomination to appoint, in the prescribed manner, any person to become entitled to equity share(s) in the event of his or her death during the minority. A nomination shall stand rescinded upon a sale/ transfer/ alienation of equity share(s) by the person nominating. A buyer will be entitled to make a fresh nomination in the manner prescribed. Fresh nomination can be made only on the prescribed form available on request at our Registered / Corporate Office or to our Registrar and Transfer Agents.

In accordance with Section 109B of the Companies Act, any person who becomes a nominee by virtue of the provisions of Section 109A of the Companies Act, shall upon the production of such evidence as may be required by the Board, elect either:

- to register himself or herself as the holder of the Equity Shares; or
- to make such allotment of the Equity Shares, as the deceased holder could have made.

Further, the Board may at any time give notice requiring any nominee to choose either to be registered himself or herself or to allot the Equity Shares, and if the notice is not complied with within a period of ninety days, the Board may thereafter withhold payment of all dividends, bonuses or other monies payable in respect of the Equity Shares, until the requirements of the notice have been complied with.

Since the allotment of Equity Shares in the Issue will be made only in dematerialized mode, there is no need to make a separate nomination with us. Nominations registered with respective depository participant of the applicant would prevail. If the investors require changing the nomination, they are requested to inform their respective depository participant.

Minimum Subscription

If we do not receive the minimum subscription of 90% of the Net Issue to public including devolvement of Underwriters within 60 days from the date of closure of the Issue, the Company shall forthwith refund the entire subscription amount received. If there is a delay beyond 8 days after the Company becomes liable to pay the amount, the Company shall pay interest as prescribed under Section 73 of the Companies Act.

Arrangement for disposal of odd lot

Our shares will be traded in dematerialized form only and therefore the marketable lot is one (1) Equity Share. Hence, there is no possibility of any odd lots.

Subscription by NRIs/ FIIs/Foreign Venture Capital Funds registered with SEBI

As per the extant policy of the Government of India, OCBs cannot participate in this Issue. The current provisions of the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000, there exists a general permission for the NRIs, FIIs and foreign venture capital investors registered with SEBI to invest in shares of Indian companies by way of subscription in an IPO. However, such investments would be subject to other investment restrictions under the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000, RBI and/or SEBI regulations as may be applicable to such investors. It is to be distinctly understood that there is no reservation for NRIs, FIIs. and all NRI, FIIs registered with SEBI applicants will be treated on the same basis with other categories for the purpose of allocation.

Press Note 2 of 2005

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

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

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

1. In case of development of serviced housing plots, a minimum land area of 10 hectares.
2. In case of construction-development projects, a minimum built up area of 50,000 square meters
3. In case of a combination project, anyone of the above two conditions would suffice.
4. Minimum capitalization of US$ 10 million for wholly owned subsidiaries and US$ 5 million for joint ventures with Indian partners. The funds are to be brought in within six months of commencement of business of the Company.
5. Original investment is not to be repatriated before a period of three years from completion of minimum capitalization. The investor is to be permitted to exit earlier with prior approval of the Government through the FIPB. Not more than 50% of the project must be developed within a period of five years from the date of obtaining all statutory clearances. The investor would not be permitted to sell undeveloped plots.

The applicable law only permits investment by Non Residents under the automatic route in the Housing and Real Estate sector if the conditions of press note 2 of 2005 are met with. However, NRIs can invest under the automatic route even in cases where the requirements of pressnote 2 of 2005 are not met with.This issue is being made to FIIs and NRIs. Non residents other than FIIs, NRIs such as FVCIs, multilateral and bilateral development financial institutions are not permitted to participate in the Issue.

The allotment of the Equity Shares to Non-Residents shall be subject to the conditions, if any, as may be prescribed by the Government of India/RBI while granting approvals, if any.

We had sought a confirmation from the DIPP by our letter dated November 18, 2006 on FIIs being permitted to participate in the Issue under the portfolio investment scheme. DIPP has by its letter dated December 26, 2006, clarified that the guidelines notified under Press Note (2 of 2005 series) are applicable to investments made only under the FDI route and not under investments made by FIIs under Portfolio Investment Scheme framed under the FEMA Regultions. RBI vide its letter FE.CO.FID/ 29406/10.02.000/2006-07 dated June 22, 2007 has also clarified that FII may invest in this Issue under the Portfolio Investment Scheme framed FEMA Regulations.

The allotment of the Equity Shares to Non-Residents shall be subject to the conditions, if any, as may be prescribed by the Government of India/RBI while granting such approvals.

The Equity Shares have not been and will not be registered under the U.S. Securities Act of 1933, (the "Securities Act") or any state securities laws in the United States and may not be offered or sold within the United States or to, or for the account or benefit of, "U.S. persons" (as defined in Regulation S under the Securities Act), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. Accordingly, the Equity Shares will be offered and sold only (i) in the United States to "qualified institutional buyers", as defined in Rule 144A under the Securities Act, and (ii) outside the United States in compliance with Regulation S and the applicable laws of the jurisdiction where those offers and sales occur.

The above information is given for the benefit of the Bidders. The Bidders are advised to make their own enquiries about the limits applicable to them. The Company and the BRLMs do not accept any responsibility for the completeness and accuracy of the information stated hereinabove. The Company and the BRLMs are not liable to inform the investors of any amendments or modifications or changes in applicable laws or regulations, which may occur after the date of this Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that the number of Equity Shares Bid for do not exceed the applicable limits under laws or regulations.

ISSUE PROCEDURE

BOOK BUILDING PROCEDURE

The Issue is being made through the 100% Book Building Process wherein not more than 50% of the Net Issue shall be available for allocation to Qualified Institutional Buyers on a proportionate basis out of which 5% shall be available for allocation on a proportionate basis to Mutual Funds only. The remainder shall be available for allotment on a proportionate basis to QIBs and Mutual Funds, subject to valid bids being received from them at or above the Issue Price. Further, not less than 15% of the Net Issue would be allocated to Non-Institutional Bidders and not less than 35% of the Net Issue would be allocated to Retail Individual Bidders on a proportionate basis, subject to valid bids being received from them at or above the Issue Price.

Bidders are required to submit their Bids through the Syndicate. We, in consultation with the BRLMs reserve the right to reject any Bid procured by any or all members of the Syndicate provided the rejection is at the time of receipt of such Bids and the reason for rejection of the Bid is communicated to the bidder at the time of rejection of Bid. In case of Non Institutional Bidders, Retail Individual Bidders and Eligible Employee we would have a right to reject the Bids only on technical grounds.

Investors should note that Equity Shares would be allotted to all successful Bidders only in dematerialized form. Bidders will not have the option of getting Allotment of the Equity Shares in physical form. The Equity Shares on Allotment shall be traded only in the dematerialized segment of the Stock Exchanges.

Bid-cum-Application Form

Bidders shall only use the Bid-cum-Application Form bearing the stamp of a Syndicate member for making a Bid in terms of this Red Herring Prospectus. The Bidder shall have the option to make a maximum of three Bids in the Bid-cum-Application Form and such options shall not be considered as multiple Bids. Upon the allocation of Equity Shares, despatch of the CAN and filing of the Prospectus with the ROC, the Bid-cum-Application Form shall be considered as the Application Form. Upon completing and submitting the Bid-cum-Application Form to a Syndicate member, the Bidder is deemed to have authorized us to make the necessary changes in this Red Herring Prospectus and the Bid-cum-Application Form as would be required for filing the Prospectus with the ROC and as would be required by the ROC after such filing, without prior or subsequent notice of such changes to the Bidder.

The prescribed colour of the Bid-cum-Application Form for various categories, is as follows:

Category	Colour of Bid-cum-Application Form
Indian Public or NRIs applying on a non-repatriation basis	White
Non-residents including NRIs, FIIs, Foreign Venture Capital Fund applying on repatriation basis	Blue
Eligible Employees	Pink

Who Can Bid?

1. Indian nationals resident in India who are majors, in single or joint names (not more than three);
2. HUFs, in the individual name of the Karta. The Bidder should specify that the Bid is being made in the name of the HUF in the Bid cum Application Form as follows: “Name of Sole or First Bidder: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the Karta”. Bids by HUFs would be considered at par with those from individuals;
3. Companies, corporate bodies and societies registered under the applicable laws in India and authorized to invest in Equity Shares;
4. Indian mutual funds registered with SEBI;
5. Indian financial institutions, commercial banks, regional rural banks, co-operative banks (subject to RBI regulations and SEBI regulations, as applicable);
6. Venture capital funds registered with SEBI;
7. Foreign venture capital investors registered with SEBI subject to compliance with applicable laws, rules, regulations, guidelines and approvals in the Issue;
8. FIIs registered with SEBI subject to compliance with applicable laws, rules, regulations, guidelines and approvals in the Issue;

9. State Industrial Development Corporations;
10. Insurance companies registered with the Insurance Regulatory and Development Authority;
11. Provident funds with minimum corpus of Rs. 250 million and who are authorized under their constitution to invest in Equity Shares;
12. Pension funds with minimum corpus of Rs. 250 million and who are authorized under their constitution to invest in Equity Shares;
13. Trusts registered under the Societies Registration Act, 1860, as amended, or under any other law relating to trusts and who are authorized under their constitution to hold and invest in Equity Shares;
14. Eligible Non-residents including NRIs and FIIs on a repatriation basis or a non-repatriation basis subject to applicable local laws;
15. Scientific and/or industrial research organizations authorized under their constitution to invest in Equity Shares;
16. Eligible Employees of the Company;
17. Any other QIBs permitted to invest, subject to compliance with applicable laws, rules, regulations, guidelines and approvals in the Issue.

Note: Associates and affiliates of the BRLMs and Syndicate Members may subscribe for Equity Shares in the Issue, including in the QIB Portion and Non-Institutional Portion where the allocation is on a proportionate basis. Furthermore, the BRLMs and Syndicate Members shall not be entitled to subscribe to this Issue in any manner except towards fulfilling their underwriting obligation.

Bidders are advised to ensure that any single Bid from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under the relevant regulations or statutory guidelines.

Bids by Mutual Funds:

An eligible Bid by a Mutual Fund shall first be considered for allocation proportionately in the Mutual Fund Portion. In the event that the demand is greater than 4,70,318 Equity Shares, allocation shall be made to Mutual Funds proportionately, to the extent of the Mutual Fund Portion. The remaining demand by the Mutual Funds shall, as part of the aggregate demand by QIBs, be available for allocation proportionately out of the remainder of the QIB Portion, after excluding the allocation in the Mutual Fund Portion.

As per the current regulations, the following restrictions are applicable for investments by mutual funds:

No mutual fund scheme shall invest more than 10% of its net asset value in the Equity Shares or equity related instruments of any company provided that the limit of 10% shall not be applicable for investments in index funds or sector or industry specific funds. No mutual fund under its scheme should own more than 10% of any company's paid-up capital carrying voting rights. Furthermore, bidders may bid as per the limits prescribed above. The applications made by the asset management companies or custodians of a Mutual Fund should clearly indicate the name of the concerned scheme for which the application is being made.

As per current regulations, the following restrictions are applicable for investment by FIIs:

The Issue of Equity Shares to a single FII should not exceed 10% of the post-Issue paid-up capital of the Company. In respect of an FII investing in Equity Shares of the Company on behalf of its sub-accounts, the investment on behalf of each sub-account shall not exceed 10% of the total issued capital of the Company. As of now, the aggregate FII holding in the Company cannot exceed 24 % of the total paid-up capital of the Company. With the approval of the Board of Directors and the shareholders by way of a special resolution, the aggregate FII holding can go up to 100%. However, as of this date no such resolution has been recommended for adoption.

Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of regulation 15A(1) of the Securities Exchange Board of India (Foreign Institutional Investors) Regulations 1995, as amended, an FII or its sub account may issue, deal or hold, off shore derivative instruments such as Participatory notes, equity-linked notes or any other similar instruments against underlying securities listed or proposed to be listed in any stock exchange in India only in favour of those entities which are regulated by any relevant regulatory authorities in the countries of their incorporation or establishment subject to compliance of "know your client" requirements. An FII or sub-account shall also ensure that no further downstream issue or transfer of any instrument referred to hereinabove is made to any person other than a regulated entity.

As per the current regulations, the following restrictions are applicable for investments by SEBI registered Venture Capital Funds:

The SEBI (Venture Capital Funds) Regulations, 1996 and the SEBI (Foreign Venture Capital Investors) Regulations, 2000 prescribe investment restrictions on venture capital funds and foreign venture capital investors registered with SEBI. Accordingly, the holding by any individual venture capital fund or foreign venture capital investor registered with SEBI should not exceed 25% of our Company's paid-up capital.

The above information is given for the benefit of the Bidders. Our Company and the BRLMs are not liable for any amendments or modification or changes in applicable laws or regulations, which may happen after the date of this Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that the number of Equity Shares bid for do not exceed the applicable limits under laws or regulations.

The above information is given for the benefit of the Bidders. The Bidders are advised to make their own enquiries about the limits applicable to them. The Company and the BRLMs do not accept any responsibility for the completeness and accuracy of the information stated hereinabove. The Company and the BRLMs are not liable to inform the investors of any amendments or modifications or changes in applicable laws or regulations, which may occur after the date of this Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that the number of Equity Shares Bid for do not exceed the applicable limits under laws or regulations.

Maximum and Minimum Bid Size

For Retail Individual Bidders: The Bid must be for a minimum of 40 Equity Shares and in multiples of 40 Equity Shares thereafter, subject to maximum Bid amount of Rs. 100,000. In case the maximum Bid amount is more than Rs. 100,000 then the same would be considered for allocation under the Non-Institutional Bidders category. The Cut-off option is given only to the Retail Individual Bidders indicating their agreement to bid and purchase at the final Issue Price as determined at the end of the Book Building Process.

For Non-Institutional Bidders and QIBs Bidders: The Bid must be for a minimum of such Equity Shares such that the Bid Amount exceeds Rs. 100,000 and in multiples of 40 Equity Shares thereafter. A Bid cannot be submitted for more than the size of the Issue. However, the maximum Bid by a QIB should not exceed the investment limits prescribed for them by the regulatory or statutory authorities governing them. Under existing SEBI guidelines, a QIB Bidder cannot withdraw its Bid after the Bid/ Issue Closing Date.

In case of revision of bids, the Non Institutional Bidders who are individuals have to ensure that the Bid Amount is greater than Rs. 100,000. In case the Bid Amount reduces to Rs. 100,000 or less due to a revision in Bids or revision of the Price Band, the same would be considered for allocation under the Retail portion. Non Institutional Bidders and QIB Bidders are not allowed to Bid at 'cut-off'.

For Bidders in the Employee Reservation Portion: The Bid must be for a minimum of 40 Equity Shares and in multiples of 40 Equity Shares thereafter. Bidders in the Employee Reservation Portion applying for a maximum Bid in any of the Bidding Options not exceeding Rs. 100,000 may bid at "Cut-off".

Information for Bidders

1. Our Company will file the Red Herring Prospectus with the ROC.
2. The members of the Syndicate will circulate copies of the Red Herring Prospectus along with the Bid-cum-Application Form to potential investors.
3. Any investor (who is eligible to invest in our Equity Shares) who would like to obtain the Red Herring Prospectus and / or the Bid-cum-Application Form can obtain the same from our corporate office or from any of the BRLMs / Syndicate Members.
4. Investors who are interested in subscribing for our Company's Equity Shares should approach any of the BRLMs or Syndicate Member or their authorized agent(s) to register their Bid.
5. The Bids should be submitted on the prescribed Bid-cum-Application Form only. Bid-cum-Application Forms should bear the stamp of the members of the Syndicate. Bid-cum-Application Forms, which do not bear the stamp of the members of the Syndicate, will be rejected.

Method and Process of Bidding

(a) Our Company and the BRLMs shall declare the Bid/Issue Opening Date, Bid/Issue Closing Date and Price Band at the time of filing the Red Herring Prospectus with ROC, and also publish the same in one English national daily, one Hindi national daily and one regional daily newspaper. This advertisement shall contain the disclosures as prescribed under SEBI Guidelines. The BRLMs and Syndicate Members shall accept Bids from the Bidders during the Issue Period.

(b) The Bidding Period shall be a minimum of three working days and shall not exceed seven working days. In case the Price Band is revised, the revised Price Band and Bidding Period will be published in two national newspapers (one each in English and Hindi) and a regional newspaper also by indicating on the websites of the BRLMs and at the terminals of the members of the Syndicate the Bidding Period may be extended, if required, by an additional three working days, subject to the total Bidding Period not exceeding 10 working days.

(c) Each Bid-cum-Application Form will give the Bidder the choice to bid for up to three optional prices (for details refer to the paragraph entitled "Bids at Different Price Levels" below) and specify the demand (i.e. the number of Equity Shares bid for) in each option. The price and demand options submitted by the Bidder in the Bid-cum-Application Form will be treated as optional demands from the Bidder and will not be cumulated. After determination of the Issue Price, the maximum number of Equity Shares bid for by a Bidder at or above the Issue Price will be considered for allocation and the rest of the Bid(s), irrespective of the Bid Price, will become automatically invalid.

(d) The Bidder cannot bid on another Bid-cum-Application Form after his or her Bids on one Bid-cum-Application Form have been submitted to any member of the Syndicate. Submission of a second Bid-cum-Application Form to either the same or to another member of the Syndicate will be treated as multiple bids and is liable to be rejected either before entering the Bid into the electronic bidding system, or at any point of time prior to the allocation or allotment of Equity Shares in this Issue. However, the Bidder can revise the Bid through the Revision Form, the procedure for which is detailed under the paragraph titled 'Build up of the Book and Revision of Bids' beginning on page 230 of this Red Herring Prospectus.

(e) During the Bidding Period, Bidders may approach the Syndicate Member to submit their Bid. Every Syndicate Member shall accept Bids from all clients / investors who place orders through them and shall have the right to vet the Bids.

(f) Along with the Bid-cum-Application Form, all Bidders will make payment in the manner described under the paragraph titled 'Terms of Payment and Payment in to the Escrow Account' beginning on page 228 of this Red Herring Prospectus.

(g) The BRLMs and Syndicate Member will enter each bid option into the electronic bidding system as a separate Bid and generate a Transaction Registration Slip, ("TRS"), for each price and demand option and give the same to the Bidder. Therefore, a Bidder can receive up to three TRSs for each Bid-cum-Application Form. It is the responsibility of the Bidder to obtain the TRS from the members of the Syndicate.

Bids at Different Price Levels

(a) The Price Band has been fixed at Rs. 125 to Rs. 145 per Equity Share of Rs. 10 each, Rs. 125 being the Floor Price and Rs. 145 being the Cap Price. The Bidders can bid at any price with in the Price Band, in multiples of Re 1. In accordance with SEBI Guidelines, the Company in consultation with the BRLMs can revise the Price Band by informing the stock exchanges, releasing a press release, disclosure on the website of the members of the Syndicate, if any and notification on the terminal of the members of the Syndicate. In case of a revision in the Price Band, the Issue will be kept open for a period of three working days after the revision of the Price Band, subject to the total Bidding Period not exceeding ten working days. We, in consultation with BRLMs, can finalise the Issue Price within the Price Band in accordance with this clause, without the prior approval of, or intimation, to the Bidders.

(b) The Bidder can bid at any price within the Price Band. The Bidder has to bid for the desired number of Equity Shares at a specific price. **Retail Individual Bidders and Eligible Employees may bid at "Cut-off". However, bidding at "Cut-off" is prohibited for QIB or Non Institutional Bidders and such Bids from QIBs and Non-Institutional Bidders shall be rejected.**

(c) Retail Individual Bidders/Eligible Employees, who bid at the Cut-Off agree that they shall purchase the Equity Shares at any price within the Price Band. Retail Individual Bidders/ Eligible Employees bidding at Cut-Off shall deposit the Bid Amount based on the Cap Price in the Escrow Account. In the event the Bid Amount is higher than the subscription amount payable by the Retail Individual Bidders/ Eligible Employees (i.e. the total number of Equity Shares allocated in the Issue multiplied by the Issue Price), Retail Individual Bidders and Eligible Employees shall receive the refund of the excess amounts from the Escrow Account.

(d) The Price Band can be revised during the Bidding Period in which case the maximum revisions on either side of the Price Band shall not exceed 20% fixed initially.

(e) Any revision in the Price Band shall be widely disseminated including by informing the Stock Exchanges, issuing Press Release and making available this information on the Bidding terminals.

(f) In the event of any revision in the Price Band, whether upwards or downwards, the minimum application size shall remain 40 Equity Shares irrespective of whether the Bid Amount payable on such minimum application is not in the range of Rs. 125 to Rs. 145.

(g) In case of an upward revision in the Price Band announced as above, Retail Individual Bidders and Eligible Employees, who had bid at Cut Off Price could either (i) revise their Bid or (ii) make additional payment based on the cap of the Revised Price Band, with the members of the Syndicate to whom the original Bid was submitted. In case the total amount (i.e. original Bid Amount plus additional payment) exceeds Rs. 100,000, the Bid will be considered for allocation under the Non Institutional category in terms of this Red Herring Prospectus. If, however, the Bidder does not either revise the Bid or make additional payment and the Issue Price is higher than the cap of the Price Band prior to revision, the number of Equity Shares bid for shall be adjusted for the purpose of allocation, such that no additional payment would be required from the Bidder and the Bidder is deemed to have approved such revised Bid at Cut off.

(h) In case of a downward revision in the Price Band, announced as above, Retail Individual Bidders and Eligible Employees who have bid at Cut Off price could either revise their Bid or the excess amount paid at the time of bidding would be refunded from the Escrow Account.

(i) The minimum application size shall be in the range of Rs. 5,000 to Rs.7,000, even in case of revision in the Price Band, if any.

Escrow Mechanism

Escrow Account

We and the BRLMs shall open Escrow Accounts with one or more Escrow Collection Banks in whose favor the Bidders shall make out the cheque or demand draft in respect of his or her Bid and/or revision of the bid. Cheques or demand drafts received for the full Bid amount from Bidders in a certain category would be deposited in the Escrow Account. The Escrow Collection Banks will act in terms of this Red Herring Prospectus and an Escrow Agreement to be entered into amongst the Company, the BRLMs, Escrow Bankers and Registrar to the Issue. The monies in the Escrow Account shall be maintained by the Escrow Collection Bank(s) for and on behalf of the Bidders. The Escrow Collection Bank(s) shall not exercise any lien whatsoever over the monies deposited therein and shall hold the monies therein in trust for the Bidders. On the Designated Date, the Escrow Collection Banks shall transfer the monies from the Escrow Account to the Issue Account with the Bankers to the Issue as per the terms of the Escrow Agreement. Payments of refunds to the Bidders shall also be made from the Escrow Account as per the terms of the Escrow Agreement and this Red Herring Prospectus.

The Bidders should note that the escrow mechanism is not prescribed by SEBI and has been established as an arrangement between the Escrow Collection Bank(s), our Company, Registrar to the Issue and BRLMs to facilitate collections from the Bidders.

Terms of Payment and Payment into the Escrow Account

Each Bidder shall, with the submission of the Bid cum Application Form draw a cheque or demand draft in favour of the Escrow Account of the Escrow Collection Bank (for details refer to the paragraph titled 'Payment Instructions' beginning on page 236 of this Red Herring Prospectus) and submit the same to the member of the Syndicate with whom the Bid is being deposited. Bid cum Application Forms accompanied by cash shall not be accepted. The maximum Bid price has to be paid at the time of submission of the Bid cum Application Form based on the highest bidding option of the Bidder.

The members of the Syndicate shall deposit the cheque or demand draft with the Escrow Collection Bank. The Escrow Collection Bank will hold all monies collected for the benefit of the Bidders until the Designated Date. On the Designated Date, the Escrow Collection Bank shall transfer the funds in respect of those Bidders whose Bids have been accepted from the Escrow Account, as per the terms of the Escrow Agreement, into the Public Issue Account. The balance amounts after the transfer to the Public Issue Account, lying credited with the Escrow Collection Banks shall be held for the benefit of the Bidders who are entitled to a refund. On the Designated Date and no later than 15 days from the Bid/Issue Closing Date, the Escrow Collection Bank shall also refund all amounts payable to unsuccessful Bidders and also the excess amount paid on bidding, if any, after adjustment for allocation, to the Bidders.

Each category of Bidders (i.e., QIBs, Non Institutional Bidders and Retail Bidders) would be required to pay their applicable Margin Amount at the time of the submission of the Bid-cum-Application Form. The details of the Margin Amount payable is mentioned under the section titled 'Issue Structure' beginning on page 218 of this Red Herring Prospectus and will be available with the Syndicate and will be as per the Syndicate Agreement. Where the Margin Amount applicable to the Bidder is less than 100% of the Bid Amount, any difference between the amount payable by the Bidder for Equity Shares allocated at the Issue

Price and the Margin Amount paid at the time of Bidding, shall be payable by the Bidder no later than the Pay-in-Date, which shall be a minimum period of 2 days from the date of communication of the allocation list to the Syndicate Members by the BRLMs. If the payment is not made favouring the Escrow Account within the time stipulated above, the Bid of the Bidder is liable to be cancelled. However, if the applicable Margin Rate for Bidders is 100%, the full amount of payment has to be made at the time of submission of the Bid Form. The excess amount paid on bidding, if any, after adjustment for allocation, will be refunded to such Bidder within 15 days from the Bid/Issue Closing Date, failing which we shall pay interest at 15% per annum for any delay beyond the periods as mentioned above.

Electronic Registration of Bids

(a) The members of the Syndicate will register the Bids using the on-line facilities of BSE and NSE. There will be at least one on-line connectivity to each city where the Bids are accepted.

(b) BSE and NSE will offer a screen-based facility for registering Bids for the Issue. This facility will be available on the terminals of the Syndicate Member and their authorized agents during the Bidding Period. Syndicate Member can also set up facilities for off-line electronic registration of Bids subject to the condition that they will subsequently download the off-line data file into the on-line facilities for book building on a regular basis. On the Bid/Issue Closing Date, the Syndicate Member shall upload the Bids till such time as may be permitted by the Stock Exchanges.

(c) BSE and NSE will aggregate demand and price for bids registered on their electronic facilities on a regular basis and display graphically the consolidated demand at various price levels. This information can be accessed on BSE's website at www.bseindia.com or on NSE's website at www.nseindia.com.

(d) At the time of registering each Bid, the Syndicate Member shall enter the following details of the investor in the on-line system:

- Name of the investor;
- Investor Category such as Individual, Corporate, NRI, FII or Mutual Fund;
- Numbers of Equity Shares bid for;
- Bid price;
- Bid-cum-Application Form number;
- Whether payment is made upon submission of Bid-cum-Application Form; and
- Depository Participant Identification No. and Client Identification No. of the Demat Account of the Bidder.

(e) A system generated TRS will be given to the Bidder as a proof of the registration of each of the bidding options. **It is the Bidder's responsibility to request and obtain the TRS from the members of the Syndicate.** The registration of the Bid by the Syndicate Member does not guarantee that the Equity Shares shall be allocated either by the Syndicate Member or the Company.

(f) Such TRS will be non-negotiable and by itself will not create any obligation of any kind.

(g) We, in consultation with the BRLMs reserve the right to reject any QIB Bid procured by any or all members of the Syndicate provided the rejection is at the time of receipt of such Bids and the reason for rejection of the Bid is communicated to the bidder at the time of rejection of bid. In case of Non Institutional Bidders, Retail Bidders and Eligible Employees we would have a right to reject the Bids only on technical grounds listed on page 238 of this RHP.

(h) It is to be distinctly understood that the permission given by BSE and NSE to use their network and software of the Online IPO system should not in any way be deemed or construed to mean that the compliance with various statutory and other requirements by our Company and BRLMs are cleared or approved by BSE and NSE; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the compliance with the statutory and other requirements nor does it take any responsibility for the financial or other soundness of our Company, our Promoters, our management or any scheme or project of our Company.

(i) It is also to be distinctly understood that the approval given by BSE and NSE should not in any way be deemed or construed that this Red Herring Prospectus has been cleared or approved by the BSE and NSE; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this Red Herring Prospectus; nor does it warrant that the Equity Shares will be listed or will continue to be listed on the BSE and NSE.

Build Up of the Book and Revision of Bids

(a) Bids registered by various Bidders through the members of the Syndicate shall be electronically transmitted to the BSE or NSE mainframe on a regular basis.

(b) The book gets built up at various price levels. This information will be available with the BRLMs on a regular basis.

(c) During the Bidding Period, any Bidder who has registered his or her interest in the Equity Shares at a particular price level is free to revise his or her Bid within the price band using the printed Revision Form, which is a part of the Bid-cum-Application Form.

(d) Revisions can be made in both the desired number of Equity Shares and the bid price by using the Revision Form. Apart from mentioning the revised options in the revision form, the Bidder must also mention the details of all the options in his or her Bid-cum-Application Form or earlier Revision Form. For example, if a Bidder has bid for three options in the Bid-cum-Application Form and he is changing only one of the options in the Revision Form, he must still fill the details of the other two options that are not being changed, in the Revision Form unchanged. Incomplete or inaccurate Revision Forms will not be accepted by the members of the Syndicate.

(e) The Bidder can make this revision any number of times during the Bidding Period. However, for any revision(s) of the Bid, the Bidders will have to use the services of the same members of the Syndicate through whom he or he had placed the original Bid. Bidders are advised to retain copies of the blank Revision Form and the revised Bid must be made only in such Revision Form or copies thereof.

(f) Any revision of the Bid shall be accompanied by payment in the form of cheque or demand draft for the incremental amount, if any, to be paid on account of the upward revision of the Bid. The excess amount, if any, resulting from downward revision of the Bid would be returned to the Bidder at the time of refund in accordance with the terms of this Red Herring Prospectus. In case of QIB Bidders, the members of the Syndicate shall collect the payment in the form of cheque or demand draft for the incremental amount in the QIB Margin Amount, if any, to be paid on account of upward revision of the Bid at the time of one or more revisions by the QIB Bidders.

(g) When a Bidder revises his or her Bid, he or she shall surrender the earlier TRS and get a revised TRS from the Syndicate Member**. It is the responsibility of the Bidder to request for and obtain the revised TRS, which will act as proof of his or her having revised the previous Bid**.

(h) In case of discrepancy of data between BSE or NSE and the Syndicate Member, the decision of the BRLMs based on physical records of Bid cum Application Forms shall be final and binding to all concerned.

Price Discovery and Allocation

(a) After the Bid/Issue Closing Date, the BRLMs will analyze the demand generated at various price levels and discuss pricing strategy with us.

(b) Our Company, in consultation with BRLMs shall finalise the “Issue Price”, the number of Equity Shares to be allotted and the allocation to successful Bidders.

(c) The allocation for QIBs, Not more than 50% of the Net Issue (including 5% specifically reserved for Mutual Funds) would be on a proportionate basis in consultation with Designated Stock Exchange subject to valid bids being received at or above the Issue Price. The allocation to Non-Institutional Bidders and Retail Individual Bidders of not less than 15% and 35% of the Net Issue, respectively, would be on proportionate basis, in consultation with Designated Stock Exchange, subject to valid Bids being received at or above the Issue Price.

(d) Undersubscription, if any, in any category would be allowed to be met with spill over from any of the other categories at the discretion of our Company in consultation with the BRLMs. However, if the aggregate demand by Mutual Funds is less than 4,70,318 Equity Shares, the balance Equity Shares available for allocation in the Mutual Fund Portion will first be added to the QIB Portion and be allocated proportionately to the QIB Bidders. In the event that the aggregate demand in the QIB Portion has been met, under-subscription, if any, would be allowed to be met with spill-over from any other category or combination of categories at the discretion of our Company, in consultation with the BRLMs and the Designated Stock Exchange.

(e) Allocation to eligible NRIs or FIIs or Foreign Venture Capital Fund registered with SEBI, Multilateral and Bilateral Development Financial Institutions applying on repatriation basis will be subject to the terms and conditions stipulated by RBI.

(f) The BRLMs, in consultation with us, shall notify the Syndicate Member of the Issue Price and allocations to their respective Bidders, where the full Bid Amount has not been collected from the Bidders.

(g) Our Company reserves the right to cancel the Issue any time after the Bid/Issue Opening Date but before allotment.

(h) In terms of SEBI Guidelines, QIB Bidders shall not be allowed to withdraw their Bid after the closure of Bidding.

(i) The allotment details shall be put on the website of the Registrar to the Issue.

Signing of Underwriting Agreement and RoC Filing

(a) The Company, the BRLMs and the Syndicate Members shall enter into an Underwriting Agreement on finalization of the Issue Price and allocation(s) to the Bidders.

(b) After signing the Underwriting Agreement, we would update and file the updated Red Herring Prospectus with RoC, which then would be termed 'Prospectus'. The Prospectus would have details of the Issue Price, Issue Size, underwriting arrangements and would be complete in all material respects.

Advertisement Regarding Issue Price and Prospectus

A statutory advertisement will be issued by us after the filing of the Prospectus with the RoC. This advertisement, in addition to the information that has to be set out in the statutory advertisement, shall indicate the Issue Price. Any material updates between this Red Herring Prospectus and the Prospectus will be included in such statutory advertisement.

Issuance of letter for additional margin money

In case of QIB Bidders, who have submitted their Bids with the QIB Margin Amount, additional Margin Amount may be called for by our Company, in consultation with the BRLMs. The amount of such additional Margin Amount called for shall depend on the level of subscription in various categories, as determined on the basis of the electronic registration of Bids. The allotment of shares to QIB Bidders shall be finalized by our Company, in consultation with the BRLMs and the Designated Stock Exchange.

Issuance of Confirmation of Allocation Note

After the determination of Issue Price, the following steps would be taken:

(a) The BRLMs or Registrar to the Issue shall send to the Syndicate Member a list of their Bidders who have been allocated Equity Shares in the Issue.

The BRLMs or Syndicate Members would then send the CAN to their Bidders who have been allocated Equity Shares in the Issue. The dispatch of a CAN shall be deemed a valid, binding and irrevocable contract for the Bidder to pay the entire Issue Price for all the Equity Shares allocated to such Bidder. Those Bidders who have not paid into the Escrow Account at the time of bidding shall pay in full the amount payable into the Escrow Account by the Pay-in Date specified in the CAN.

(b) Bidders who have been allocated Equity Shares and who have already paid into the Escrow Account at the time of bidding shall directly receive the CAN from the Registrar to the Issue subject, however, to realization of their cheque or demand draft paid into the Escrow Account. The dispatch of a CAN shall be a deemed a valid, binding and irrevocable contract for the Bidder to pay the entire Issue Price for all the Equity Shares to be allotted to such Bidder.

Designated Date and Allotment of Equity Shares

(a) After the funds are transferred from the Escrow Account to the Issue Account on the Designated Date, we would ensure allotment of the Equity Shares to the allottees within two days of the finalization and adoption of the basis of allotment.

(b) All allottees will receive credit for the Equity Shares directly in their depository account. **Equity Shares will be issued only in the dematerialized form to the allottees**. Allottees will have the option to re-materialize the Equity Shares so allotted, if they so desire, as per the provisions of the Companies Act and the Depositories Act.

Investors are advised to instruct their Depository Participant to accept the Equity Shares that may be allocated to them pursuant to this Issue.

We would ensure the allotment of Equity Shares within 15 days of Bid/Issue Closing Date and also ensure that credit is given to the allottees' depository accounts within two working days from the date of allotment.

Letters of Allotment or Refund Orders

We shall give credit of Equity Shares allotted, if any, to the beneficiary account with Depository Participants within two working days from the date of the Allotment. Applicants residing at 15 centres where clearing houses are managed by the RBI will get refunds through ECS (subject to availability of information for crediting the refund through ECS) except where applicant is otherwise disclosed as eligible to get refunds through Direct Credit, NEFT or RTGS. In case of other applicants, our Company shall ensure dispatch of refund orders, if any, of value up to Rs. 1,500 by "Under Certificate of Posting", and shall dispatch refund orders above Rs. 1,500, if any, by registered post or speed post at the sole or First Bidder's sole risk within 15 days of the Bid /Issue Closing Date. Applicants to whom refunds are made through electronic transfer of funds will be sent a letter (refund advice) through ordinary post intimating them about the mode of credit of refund within 15 working days of the closure of the Issue. Our Company shall ensure dispatch of refund orders/refund advice (for Direct Credit, NEFT, RTGS or ECS), if any, by "Under Certificate of Posting" or registered post or speed post, as applicable, only at the sole or First Bidder's sole risk within 15 days of the Bid/Issue Closing Date and adequate funds for making refunds to applicants as per the mode(s) disclosed shall be made available to the Registrar to the Issue.

In accordance with the Companies Act, the requirements of the Stock Exchanges and SEBI Guidelines, we undertake that:

- Allotment and transfer shall be made only in dematerialised form within 15 days from the Bid/Issue Closing Date;
- Dispatch of refund orders shall be done within 15 days from the Bid/Issue Closing Date; and
- We shall pay interest at 15% per annum (for any delay beyond the 15 day time period as mentioned above), if Allotment is not made, refund orders are not dispatched and/or demat credits are not made to investors within the 15 day time period prescribed above.

Our Company will provide adequate funds required for dispatch of refund orders or allotment advice to the Registrar to the Issue. Save and except refunds effected through the electronic mode, i.e. Direct Credit, NEFT, RTGS or ECS, refunds will be made by cheques, pay orders or demand drafts drawn on a bank appointed by our Company as an Escrow Collection Bank and payable at par at places where Bids are received. Bank charges, if any, for encashing such cheques, pay orders or demand drafts at other centres will be payable by the Bidders.

GENERAL INSTRUCTIONS

Do's:

(a) Check if you are eligible to apply;

(b) Complete the Bid-cum-Application Form after reading all the instructions carefully;

(c) Ensure that the details about Depository Participant and Beneficiary Account are correct as Equity Shares will be allotted in the dematerialized form only;

(d) Ensure that the Bids are submitted at the bidding centers only on forms bearing the stamp of a member of the Syndicate;

(e) Ensure that you have been given a TRS for all your Bid options;

(f) Submit Revised Bids to the same member of the Syndicate through whom the Original Bid was placed and obtain a revised TRS;

(g) Ensure that the bid is within price band;

(h) Investors must ensure that the name given in the Bid-cum-Application Form is exactly the same as the name in which the Depository Account is held. In case, the Bid-cum- Application Form is submitted in joint names, investors should ensure that the Depository Account is also held in the same sequence as they appear in the Bid-cum- Application Form; and

(i) Ensure that you mention your PAN allotted under the I.T. Act. In case the PAN has not been allotted, mention "Not allotted" in the appropriate place. (See "Issue Procedure -'PAN' Number" on page 237)

Don'ts:

(a) Do not Bid for lower than the minimum Bid size;

(b) Do not Bid/ revise Bid price to less than the lower end of the price band or higher than the higher end of the price band;

(c) Do not Bid on another Bid-cum-Application Form after you have submitted a Bid to the member of the Syndicate;

(d) Do not pay the Bid amount in cash;

(e) Do not provide your GIR number instead of your PAN.

(f) Do not send Bid-cum-Application Forms by post; instead submit the same to members of the Syndicate only;

(g) Do not Bid at cut off price (for QIBs and non-institutional bidders);

(h) Do not fill up the Bid-cum-Application Form such that the Equity Shares bid for exceeds the Issue size and/ or investment limit or maximum number of Equity Shares that can be held under the applicable laws or regulations or maximum amount permissible under the applicable regulations; and

(i) Do not submit Bid accompanied with Stock invest.

Bids by employees of the Company

(a) For the purpose of this reservation, employee shall include all the employees of the Company including the employees of the subsidiaries of the Company.

(b) Bids under Employee Reservation Portion by Eligible Employees shall be made only in the prescribed Bid cum Application Form or Revision Form (i.e. Pink Form).

(c) Employees, as defined above, should mention the following at the relevant place in the Bid cum Application Form: Department name.

(d) The sole/ first bidder should be an employe as defined above.

(e) Only employees, as defined above, would be eligible to apply in this Issue under this Reservation Portion.

(f) Bids by employees, as defined above, will have to bid like any other Bidder. Only those bids, which are received at or above the Issue Price, would be considered for allocation under this category.

(g) Employees, as defined above, who apply or bid for securities of or for a value of not more than Rs. 100,000 in any of the bidding options can apply at Cut-Off. This facility is not available to other employees whose minimum Bid amount exceeds Rs. 100,000.

(h) If the aggregate demand in this category is less than or equal to 188,127 Equity Shares at or above the Issue Price, full allocation shall be made to the employees, as defined above, to the extent of their demand.

(i) If the aggregate demand in this category is less than or equal to 188,127 Equity Shares at or above the Issue Price, full Allocation shall be made to the employees to the extent of their demand. Under subscription, if any, in the Employees Reservation Portion will be added back to the Net Issue to the public, and the undersubscription can be met with spill over from any other category at the discretion of the Company, in consulation with the BRLMs.

(j) If the aggregate demand in this category is greater than 188,127 Equity Shares at or above the Issue Price, the allocation shall be made on a proportionate basis. For the method of proportionate basis of allocation, refer to paragraph titled 'Basis of Allotment' beginning on page 239 of this Red Herring Prospectus.

Instructions for Completing the Bid-cum-Application Form

Bidders can obtain Bid-cum-Application Forms and / or Revision Forms from the BRLMs or Syndicate Member.

Bids and Revisions of Bids

Bids and revisions of Bids must be:

(a) Made only in the prescribed Bid cum Application Form or Revision Form, as applicable (white colour for Resident Indians and blue colour for NRI or FII or Foreign Venture Capital Fund applying on repatriation basis).

(b) Completed in full, in BLOCK LETTERS in ENGLISH and in accordance with the instructions contained herein, in the Bid-cum-Application Form or in the Revision Form. Incomplete Bid-cum- Application Forms or Revision Forms are liable to be rejected.

(c) The Bids from the Retail Individual Bidders must be for a minimum of 40 Equity Shares and in multiples of 40 thereafter subject to a maximum Bid amount of Rs. 100,000.

(d) For Non-institutional and QIB Bidders, Bids must be for a minimum Bid Amount of Rs. 100,000 and in multiples of 40 Equity Shares thereafter. All Individual Bidders whose maximum bid amount exceeds Rs. 100,000 would be considered under this category. Bids cannot be made for more than the Issue Size. Bidders are advised to ensure that a single Bid from them should not exceed the investment limits or maximum number of Equity Shares that can be held by them under the applicable laws or regulations.

(e) In single name or in joint names (not more than three).

(f) Thumb impressions and signatures other than in the languages specified in the Eighth Schedule in the Constitution of India must be attested by a Magistrate or a Notary Public or a Special Executive Magistrate under official seal.

Bidder's Bank Details

Bidders should note that on the basis of name of the Bidders, Depository Participant's name, Depository Participant-Identification number and Beneficiary Account Number provided by them in the Bid cum Application Form, the Registrar to the Issue will obtain from the Depository the Bidders bank account details. These bank account details would be used for making refunds, if any, as per the modes disclosed. Hence, Bidders are advised to immediately update their bank account details as appearing on the records of the depository participant. Please note that failure to do so could result in delays in credit of refunds to Bidders at the Bidders sole risk and neither the BRLMs nor the Bank shall have any responsibility and undertake any liability for the same.

Bidder's Depository Account Details

IT IS MANDATORY FOR ALL THE BIDDERS TO GET THEIR EQUITY SHARES IN DEMATERIALISED FORM. ALL BIDDERS SHOULD MENTION THEIR DEPOSITORY PARTICIPANT'S NAME, DEPOSITORY PARTICIPANT IDENTIFICATION NUMBER AND BENEFICIARY ACCOUNT NUMBER IN THE BID CUM APPLICATION FORM. INVESTORS MUST ENSURE THAT THE NAME GIVEN IN THE BID CUM APPLICATION FORM IS EXACTLY THE SAME AS THE NAME IN, WHICH THE DEPOSITORY ACCOUNT IS HELD. IN CASE THE BID CUM APPLICATION FORM IS SUBMITTED IN JOINT NAMES, IT SHOULD BE ENSURED THAT THE DEPOSITORY ACCOUNT IS ALSO HELD IN THE SAME JOINT NAMES AND ARE IN THE SAME SEQUENCE IN WHICH THEY APPEAR IN THE BID CUM APPLICATION FORM.

Bidders should note that on the basis of name of the Bidders, Depository Participant's name, Depository Participant-Identification number and Beneficiary Account Number provided by them in the Bid cum Application Form, the Registrar to the Issue will obtain from the Depository demographic details of the Bidders such as address, bank account details for making refunds and occupation ("Demographic Details"). Hence, Bidders should carefully fill in their Depository Account details in the Bid cum Application Form.

These Demographic Details would be used for all correspondence with the Bidders including mailing of the CANs/Allocation Advice and making refunds as per the modes disclosed and the Demographic Details given by Bidders in the Bid cum Application Form would not be used for these purposes by the Registrar.

Hence, Bidders are advised to update their Demographic Details as provided to their Depository Participants and ensure that they are true and correct.

By signing the Bid cum Application Form, Bidder would have deemed to authorize the depositories to provide, upon request, to the Registrar to the Issue, the required Demographic Details as available on its records.

Allocation Advice/CANs would be mailed at the address of the Bidders as per the Demographic Details received from the Depositories. Bidders may note that delivery of allocation advice/CANs may get delayed if the same once sent to the address obtained from the Depositories are returned undelivered.

In case no corresponding record is available with the Depositories that matches three parameters, namely, names of the Bidders (including the order of names of joint holders), the Depository Participant's identity (DP ID) and the beneficiary's identity, then such Bids are liable to be rejected.

Bids under Power of Attorney

In case of Bids made pursuant to a Power of Attorney or by limited companies, corporate bodies, registered societies, a certified copy of the Power of Attorney or the relevant resolution or authority, as the case may be, along with a certified copy of the Memorandum and Articles of Association and/or Bye Laws must be lodged along with the Bid-cum-Application Form. Failing this, the Company reserves the right to accept or reject any Bid in whole or in part, in either case, without assigning any reason therefore.

In case of Bids made pursuant to a power of attorney by FIIs, a certified copy of the power of attorney or the relevant resolution or authority, as the case may be, along with a certified copy of their SEBI registration certificate must be lodged along with the Bid cum Application Form. Failing this, our Company reserves the right to accept or reject any Bid in whole or in part, in either case, without assigning any reason therefore.

In case of Bids made by Insurance Companies registered with the Insurance Regulatory and Development Authority, a certified copy of certificate of registration issued by Insurance Regulatory and Development Authority must be lodged along with the Bid-cum-Application Form. Failing this, our Company reserves the right to accept or reject any Bid in whole or in part, in either case, without assigning any reason therefore.

In case of Bids made by provident funds with minimum corpus of Rs. 250 million and pension funds with minimum corpus of Rs. 250 million, a certified copy of certificate from a chartered accountant certifying the corpus of the provident fund/ pension fund must be lodged along with the Bid-cum-Application Form. Failing this, our Company reserves the right to accept or reject any Bid in whole or in part, in either case, without assigning any reason therefore.

We, in our absolute discretion, reserve the right to relax the above condition of simultaneous lodging of the Power of Attorney along with the Bid-cum-Application form, subject to such terms that we may deem fit.

Bids by Mutual Funds

An eligible Bid by a Mutual Fund shall first be considered for allocation proportionately in the Mutual Funds Portion. In the event that the demand is greater than 128,083 Equity Shares, Allocation shall be made to Mutual Funds on proportionate basis to the extent of the Mutual Funds Portion. The remaining demand by Mutual Funds shall, as part of the aggregate demand by QIB Bidders, be made available for allocation proportionately out of the remainder of the QIB Portion, after excluding the allocation in the Mutual Funds Portion. The Bids made by the asset management companies or custodian of Mutual Funds shall specifically state the names of the concerned schemes for which the Bids are made. In case of a Mutual Fund, a separate Bid can be made in respect of each scheme of the Mutual Fund registered with SEBI and such Bids in respect of more than one scheme of the Mutual Fund will not be treated as multiple Bids provided that the Bids clearly indicate the scheme for which the Bid has been made.

As per the current regulations, the following restrictions are applicable for investments by Mutual Funds: No Mutual Fund scheme shall invest more than 10% of its net asset value in Equity Shares or equity related instruments of any company provided that the limit of 10% shall not be applicable for investments in index funds or sector or industry specific funds. No Mutual Fund under all its schemes should own more than 10% of any company's paid-up capital carrying voting rights.

Bids by NRIs

NRI bidders to comply with the following:

- Individual NRI bidders can obtain the Bid cum Application Forms from our Corporate Office or the Registrars to the Issue or Syndicate Member.
- NRI bidders may please note that only such bids as are accompanied by payment in free foreign exchange shall be considered for allotment under the NRI category. The NRIs who intend to make payment through Non-Resident Ordinary (NRO) accounts shall use the form meant for resident Indians.

Bids by Eligible NRIs and FIIs on a repatriation basis

Bids and revision to Bids must be made:

On the Bid cum Application Form or the Revision Form, as applicable (blue in color), and completed in full in **BLOCK LETTERS in ENGLISH** in accordance with the instructions contained therein.

In a single name or joint names (not more than three).

By FIIs for a minimum of such number of Equity Shares that the Bid Amount exceeds Rs. 100,000 and in multiples of 40 Equity Shares thereafter.

For further details, please refer to the paragraph titled 'Issue Procedure - Maximum and Minimum Bid Size' beginning on page 226 of this Red Herring Prospectus.

Bids by NRIs for a Bid Amount of up to or less than Rs. 100,000 would be considered under the Retail Individual Bidders Portion for the purposes of allocation and Bids for a Bid Amount of more than Rs. 100,000 would be considered under Non Institutional Bidder Portion for the purposes of allocation; by FIIs or Foreign Venture Capital Fund registered with SEBI for a minimum of such number of Equity Shares and in multiples of 40 Equity Shares thereafter so that the Bid Amount exceeds Rs. 100,000. For further details, please refer to the paragraph titled 'Issue Procedure - Maximum and Minimum Bid Size' beginning on page 226 of this Red Herring Prospectus.

In the names of individuals or in the names of FIIs or in the names of Foreign Venture Capital Fund registered with SEBI but not in the names of minors, firms or partnerships, foreign nationals or their nominees or OCB's.

Refunds, dividends and other distributions, if any, will be payable in Indian Rupees only and net of bank charges and / or commission. In case of Bidders who remit money payable upon submission of the Bid-cum- Application Form or Revision Form through Indian Rupee drafts purchased abroad, such payments in Indian Rupees will be converted into US Dollars or any other freely convertible currency as may be permitted by the RBI at the rate of exchange prevailing at the time of remittance and will be dispatched by registered post/speed post. We will not be responsible for loss, if any, incurred by the Bidder on account of conversion of foreign currency.

It is to be distinctly understood that there is no reservation for eligible NRIs and FIIs. All eligible NRIs and FIIs will be treated on the same basis with other categories for the purpose of allocation.

The above information is given for the benefit of the Bidders. Our Company and the BRLMs are not liable for any amendments or modification or changes in applicable laws or regulations, which may happen after the date of this Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that the number of Equity Shares bid for do not exceed the applicable limits under laws or regulations.

Payment Instructions

We, and the BRLMs shall open an Escrow Account with the Escrow Collection Bank(s) for the collection of the Bid Amounts payable upon submission of the Bid-cum-Application Form and for amounts payable pursuant to allocation in the Issue.

Each Bidder shall draw a cheque or demand draft for the amount payable on the Bid and/or on allocation as per the following terms:

Payment into Escrow Account:

(a) The Bidders for whom the applicable margin is equal to 100% shall, with the submission of the Bid-cum-Application Form draw a payment instrument for the Bid Amount in favor of the Escrow Account and submit the same to the members of the Syndicate.

(b) In case the above Margin Amount paid by the Bidders during the Bidding Period is less than the Issue Price multiplied by the Equity Shares allocated to the Bidder, the balance amount shall be paid by the Bidders into the Escrow Account within the period specified in the CAN which shall be subject to a minimum period of two days from the date of communication of the allocation list to the Syndicate Member by the BRLMs.

(c) The payment instruments for payment into the Escrow Account should be drawn in favor of:

   (i) In case of QIBs: "**Escrow Account – Kolte-Patil Developers Limited Public Issue - QIB - R**";

   (ii) In case of non-resident QIB Bidders: "**Escrow Account - Kolte-Patil Developers Limited Public Issue - QIB - NR";**

   (iii) In case of Resident Retail and Non Institutional Bidders: **"Escrow Account - Kolte-Patil Developers Limited - Public Issue";**

   (iv) In case of Non Resident Retail and Non Institutional Bidders: **"Escrow Account - Kolte-Patil Developers Limited - Public Issue - NR";**

   (v) In case of Eligible Employees of the Company "**Escrow Account - Kolte-Patil Developers Limited - Public Issue - Employees".**

(d) In case of Bids by NRIs applying on repatriation basis, the payments must be made through Indian Rupee Drafts purchased abroad or cheques or bank drafts, for the amount payable on application remitted through normal banking channels or out of funds held in Non-Resident External (NRE) Accounts or Foreign Currency Non-Resident (FCNR) Accounts, maintained with banks authorized to deal in foreign exchange in India, along with documentary evidence in support of the remittance. Payment will not be accepted out of a Non-Resident Ordinary (NRO) Account of a Non-Resident bidder bidding on a repatriation basis. Payment by drafts should be accompanied by a bank certificate confirming that the draft has been issued by debiting an NRE or FCNR Account.

(e) In case of Bids by FIIs, the payment should be made out of funds held in a Special Rupee Account along with documentary evidence in support of the remittance. Payment by drafts should be accompanied by a bank certificate confirming that the draft has been issued by debiting the Special Rupee Account.

(f) Where a Bidder has been allocated a lesser number of Equity Shares than the Bidder has Bid for, the excess amount, if any, paid on bidding, after adjustment towards the balance amount payable on the Equity Shares allocated, will be refunded to the Bidder from the Escrow Account.

(g) The monies deposited in the Escrow Account will be held for the benefit of the Bidders until Designated Date.

(h) On the Designated Date, the Escrow Collection Banks shall transfer the funds from the Escrow Account as per the terms of the Escrow Agreement into the Issue Account with the Bankers to the Issue.

(i) On the Designated Date and no later than 15 days from the Bid/Issue Closing Date, the Escrow Collection Bank shall also refund all amounts payable to unsuccessful bidders and also the excess amount paid on Bidding, if any, after adjusting for allocation to the Bidders.

Payments should be made by cheque, or demand draft drawn on any bank (including a Co-operative bank), which is situated at, and is a member of or sub-member of the bankers' clearing house located at the center where the Bid cum Application Form is submitted. Outstation cheques/bank drafts drawn on banks not participating in the clearing process will not be accepted and applications accompanied by such cheques or bank drafts are liable to be rejected. Cash/ stock invest/money orders/ postal orders will not be accepted.

Payment by Stock invest

In terms of Reserve Bank of India Circular No. DBOD No. FSC BC 42/24.47.001/2003-04 dated November 5, 2003, the option to use the stock invest instrument in lieu of cheques or bank drafts for payment of bid money has been withdrawn.

Submission of Bid-cum-Application Form

All Bid-cum-Application Forms or revision forms duly completed and accompanied by account payee cheques or drafts shall be submitted to the Syndicate Member at the time of submission of the Bid. Member of the Syndicate may at its sole discretion waive the requirement of payment at the time of submission of the Bid-cum-Application Form and Revision Form.

No separate receipts shall be issued for the money payable on the submission of Bid-cum-Application Form or Revision Form. However, the collection center of the Syndicate Member will acknowledge the receipt of the Bid-cum-Application Forms or Revision Forms by stamping and returning to the Bidder the acknowledgement slip. This acknowledgement slip will serve as the duplicate of the Bid-cum-Application Form for the records of the Bidder.

OTHER INSTRUCTIONS

Joint Bids in the case of Individuals

Bids may be made in single or joint names (not more than three). In the case of joint Bids, all payments will be made out in favor of the Bidder whose name appears first in the Bid-cum-Application Form or Revision Form ('First Bidder'). All communications will be addressed to the First Bidder and will be dispatched to his or her address.

Multiple Bids

A Bidder should submit only one Bid (and not more than one) for the total number of Equity Shares required. Two or more Bids will be deemed to be multiple Bids if the sole or First Bidder is one and the same. In case of a mutual fund, a separate Bid can be made in respect of each scheme of the mutual fund registered with SEBI and such Bids in respect of more than one scheme of the mutual fund will not be treated as multiple bids provided that the Bids clearly indicate the scheme concerned for which the Bid has been made.

We reserve the right to reject, in our absolute discretion to accept or reject, all or any multiple Bids in any or all categories.

Bidders in the Employees Reservation category can also bid in the 'Net Issue to the Public' and such Bids shall not be treated as multiple Bids.

The Bidder or in the case of a Bid in joint names, each of the Bidders, should mention his/her Permanent Account Number (PAN) allotted under the I.T. Act. The copy of the PAN card or PAN allotment letter is required to be submitted with the Bid Cum Application form. Applications without this information and documents will be considered incomplete and are liable to be rejected. **It is to be specifically noted that Bidders should not submit the GIR number instead of the PAN as the Bid is liable to be rejected on this ground.** In case the Sole/First Bidder and Joint Bidder(s) is/are not required to obtain PAN, each of the Bidder(s) shall mention "Not Applicable" and in the event that the sole Bidder and/or the joint Bidder(s) have applied for PAN which has not yet been allotted each of the Bidder(s) should mention "Applied for" in the Bid cum Application Form. Further, where the Bidder(s) has mentioned "Applied for" or "Not Applicable", the Sole/First Bidder and each of the Joint Bidder(s), as the case may be, would be required to submit Form 60 (Form of declaration to be filed by a person who does not have a permanent account number and who enters into any transaction specified in rule 114B), or, Form 61 (form of declaration to be filed by a person who has agricultural income and is not in receipt of any other income chargeable to income-tax in respect of transactions specified in rule 114B), as may be applicable, duly filled along with a copy of any one of the following documents in support of the address: (a) Ration Card (b) Passport (c) Driving License (d) Identity Card issued by any institution (e) Copy of the electricity bill or telephone bill showing residential address (f) Any document or communication issued by any authority of the Central Government, State Government or local bodies showing residential address (g) Any other documentary evidence in support of address given in the declaration. **It may be noted that Form 60 and Form 61 have been amended vide a notification issued on December 1, 2004 by the Ministry of Finance, Department of Revenue, Central Board of Direct Taxes. All Bidders are requested to furnish, where applicable, the revised Form 60 or 61 as the case may be.**

Unique Identification Number - MAPIN

With effect from July 1, 2005, SEBI has decided to suspend all fresh registrations for obtaining Unique Identification Number (UIN) and the requirement to contain/quote UIN under the MAPIN Regulations/ Circulars vide its circular MAPIN/Cir- 13/2005.

Our Right to Reject Bids

We and the BRLMs reserve the right to reject any QIB Bid provided the rejection is at the time of receipt of Bid and the reason for rejection of the Bid is communicated to the Bidder at the time of rejection of Bid. In case of Non-Institutional Bidders and Retail Individual Bidders, we and the BRLMs have a right to reject bids based on technical grounds. Consequent refunds shall be made as per the modes disclosed.

Grounds for Technical Rejections

Bidders are advised to note that Bids are liable to be rejected among others on the following technical grounds:

1) Amount paid doesn't tally with the highest number of Equity Shares bid for;
2) Age of First Bidder not given;
3) Bids by Persons not competent to contract under the Indian Contract Act, 1872, including minors, insane persons;
4) PAN not given and GIR number given instead of PAN;
5) Bids for lower number of Equity Shares than specified for that category of investors;
6) Bids at a price less than lower end of the Price Band;
7) Bids at a price more than the higher end of the Price Band;
8) Bids at cut-off price by Non-Institutional and QIB Bidders;
9) Bids for number of Equity Shares which are not in multiples of 40;
10) Category not ticked;
11) Multiple bids as defined in this Red Herring Prospectus;
12) In case of Bid under power of attorney or by limited companies, corporate, trust etc., relevant documents are not submitted;
13) Bids accompanied by Stock invest/ money order/postal order/cash;
14) Signature of sole and / or joint bidders missing;
15) Bid-cum-Application Form does not have the stamp of the BRLMs or Syndicate Member;
16) Bids by QIBs not submitted through IL&FS Investsmart Limited;
17) Bid-cum-Application Form does not have Bidder's depository account details;
18) In case no corresponding record is available with the Depository that matches three parameters: name of Bidder (including sequence of names of joint holders), depository participant identification number and beneficiary account number;
19) Bid-cum-Application Forms are not delivered by the Bidders within the time prescribed as per the Bid-cum-Application Form, Bid/Issue Opening Date advertisement and this Red Herring Prospectus and as per the instructions in this Red Herring Prospectus and the Bid-cum-Application Form;
20) Bids for amounts greater than the maximum permissible amounts prescribed by the regulations. For further details, please refer to the paragraph titled 'Issue Procedure - Maximum and Minimum Bid Size' beginning on page 226 of this RHP;
21) Bids by Employees of the Company not eligible to apply in the Employee Reservation Portion;
22) Bids by OCBs; and
23) Bid by U.S. residents or U.S persons other than "Qualified Institutional Buyers" as defined in Rule 144A of the U.S. Securities Act of 1933.

Equity Shares in Dematerialized Form with NSDL or CDSL

As per the provisions of Section 68B of the Companies Act, the Equity Shares in this Issue shall be allotted only in a dematerialized form, (i.e. not in the form of physical certificates but be fungible and be represented by the statement issued through the electronic mode). In this context, two agreements have been signed among us, the respective Depositories and the Registrar to the Issue:

(a) a tripartite agreement dated March 12, 2007 with NSDL, us and Registrar to the Issue;

(b) a tripartite agreement dated April 2, 2007 with CDSL, us and Registrar to the Issue.

All bidders can seek allotment only in dematerialized mode. Bids from any investor without relevant details of his or her depository account are liable to be rejected.

(a) A Bidder applying for Equity Shares must have at least one beneficiary account with either of the Depository Participants of either NSDL or CDSL prior to making the Bid.
(b) The Bidder must necessarily fill in the details (including the Beneficiary Account Number and Depository Participant's Identification number) appearing in the Bid-cum-Application Form or Revision Form.
(c) Equity Shares allotted to a successful Bidder will be credited in electronic form directly to the beneficiary account (with the Depository Participant) of the Bidder.
(d) Names in the Bid-cum-Application Form or Revision Form should be identical to those appearing in the account details in the Depository. In case of joint holders, the names should necessarily be in the same sequence as they appear in the account details in the Depository.

(e) Non-transferable allotment advice will be directly sent to the Bidder by the Registrar to this Issue. Refunds will be made directly by the Registrar to the Issue as per the modes disclosed.

(f) If incomplete or incorrect details are given under the heading 'Request for Equity Shares in electronic form' in the Bid-cum-Application Form or Revision Form, it is liable to be rejected.

(g) The Bidder is responsible for the correctness of his or her demographic details given in the Bid-cum-Application Form vis-à-vis those with his or her Depository Participant.

(h) It may be noted that Equity Shares in electronic form can be traded only on the stock exchanges having electronic connectivity with NSDL and CDSL. All the Stock Exchanges where our Equity Shares are proposed to be listed have electronic connectivity with CDSL and NSDL.

(i) The trading of the Equity Shares of the Company would be in dematerialized form only for all investors.

Communications

All future communications in connection with Bids made in this Issue should be addressed to the Registrar to the Issue quoting the full name of the sole or First Bidder, Bid-cum-Application Form number, number of Equity Shares applied for, date, bank and branch where the Bid was submitted and cheque, number and issuing bank thereof.

Pre-issue and post issue related problems

We have appointed Mr. Vinod Patil, as the Compliance Officer and he may be contacted in case of any pre-issue or post-issue related problems.

Impersonation

Attention of the applicants is specifically drawn to the provisions of sub-section (1) of Section 68 A of the Companies Act, which is reproduced below:

"Any person who:

(a) makes in a fictitious name, an application to a company for acquiring or subscribing for, any shares therein; or

(b) otherwise induces a company to allot, or register any transfer of shares therein to him, or any other person in a fictitious name, shall be punishable with imprisonment for a term which may extend to five years".

Basis of Allotment or Allocation

For Retail Individual Bidders

- Bids received from the Retail Individual Bidders at or above the Issue Price shall be grouped together to determine the total demand under this category. The allotment to all the successful Retail Individual Bidders will be made at the Issue Price.
- The Net Issue Size less allotment to Non-Institutional and QIB Bidders shall be available for allotment to Retail Individual Bidders who have bid in the Issue at a price that is equal to or greater than the Issue Price.
- If the aggregate demand in this category is less than or equal to 6,584,448 Equity Shares at or above the Issue Price, full allotment shall be made to the Retail Individual Bidders to the extent of their demand.
- If the aggregate demand in this category is greater than 6,584,448 Equity Shares at or above the Issue Price, the allotment shall be made on a proportionate basis up to 6,584,448 Equity Shares. For the method of proportionate basis of allotment, refer below.

For Non-Institutional Bidders

- Bids received from Non-Institutional Bidders at or above the Issue Price shall be grouped together to determine the total demand under this category. The allotment to all successful Non-Institutional Bidders will be made at the Issue Price.
- The Issue Size less allotment to QIBs and Retail Portion shall be available for allotment to Non-Institutional Bidders who have bid in the Issue at a price that is equal to or greater than the Issue Price.
- If the aggregate demand in this category is less than or equal to 2,821,906 Equity Shares at or above the Issue Price, full allotment shall be made to Non-Institutional Bidders to the extent of their demand.
- In case the aggregate demand in this category is greater than 2,821,906 Equity Shares at or above the Issue Price, allotment shall be made on a proportionate basis up to 2,821,906 Equity Shares. For the method of proportionate basis of allotment refer below.

For QIBs

- Bids received from the QIB Bidders at or above the Issue Price shall be grouped together to determine the total demand under this portion. The allotment to all the QIB Bidders will be made at the Issue Price.
- The QIB Portion shall be available for allotment to QIB Bidders who have bid in the Issue at a price that is equal to or greater than the Issue Price.
- Allotment shall be undertaken in the following manner:

  (a) In the first instance allocation to Mutual Funds for up to 5% of the QIB Portion shall be determined as follows:

    (i) In the event that Mutual Fund Bids exceeds 5% of the QIB Portion, allocation to Mutual Funds shall be done on a proportionate basis for up to 5% of the QIB Portion.

    (ii) In the event that the aggregate demand from Mutual Funds is less than 5% of the QIB Portion then all Mutual Funds shall get full allotment to the extent of valid bids received above the Issue Price.

    (iii) Equity Shares remaining unsubscribed, if any, not allocated to Mutual Funds shall be available for allotment to all QIB Bidders as set out in (b) below;

  (b) In the second instance allotment to all QIBs shall be determined as follows:

    (i) In the event that the oversubscription in the QIB Portion, all QIB Bidders who have submitted Bids above the Issue Price shall be allotted Equity Shares on a proportionate basis for up to 95% of the QIB Portion.

    (ii) Mutual Funds, who have received allocation as per (a) above, for less than the number of Equity Shares Bid for by them, are eligible to receive Equity Shares on a proportionate basis along with other QIB Bidders.

    (iii) Under-subscription below 5% of the QIB Portion, if any, from Mutual Funds, would be included for allocation to the remaining QIB Bidders on a proportionate basis.

- The aggregate allotment to QIB Bidders shall not be more than 94,06,355 Equity Shares.

For Employees:

- Bids received from the employees at or above the Issue Price shall be grouped together to determine the total demand under this category. The Allotment to all the successful Employees will be made at the Issue Price.
- If the aggregate demand in this category is less than or equal to 1,88,127 Equity Shares at or above the Issue Price, full allotment shall be made to the Employees to the extent of their demand.
- In case the aggregate demand in this category is greater than 1,88,127 Equity Shares at or above the Issue Price, allocation shall be made on a proportionate basis up to a minimum of 40 Equity Shares and in multiples of 40 Equity Shares thereafter. For the method of proportionate basis of allocation refer below.
- Only employees may apply under the Employee Reservation Portion.
- The unsubscribed portion, if any, out of the Equity Shares reserved for allotment to employees of our Company will be added back to the net issue to any other category, at the discretion of our Company and the BRLMs.

Method of proportionate basis of allotment in the QIB, Retail and Non-Institutional portions

In the event of the Issue being over-subscribed, we shall finalise the basis of allotment in consultation with the Designated Stock Exchange. The Executive Director (or any other senior official nominated by them) of the Designated Stock Exchange along with the BRLMs and the Registrar to the Issue shall be responsible for ensuring that the basis of allotment is finalised in a fair and proper manner.

The allotment shall be made in marketable lots, on a proportionate basis as explained below:

- Bidders will be categorised according to the number of Equity Shares applied for;
- The total number of Equity Shares to be allotted to each category as a whole shall be arrived at on a proportionate basis, which is the total number of Equity Shares applied for in that category (number of Bidders in the category multiplied by the number of Equity Shares applied for) multiplied by the inverse of the over-subscription ratio;
- Number of Equity Shares to be allotted to the successful Bidders will be arrived at on a proportionate basis, which is total number of Equity Shares applied for by each Bidder in that category multiplied by the inverse of the over-subscription ratio.
- In all Bids where the proportionate allotment is less than 40 Equity Shares per Bidder, the allotment shall be made as follows:
  - Each successful Bidder shall be allotted a minimum of 40 Equity Shares; and

- The successful Bidders out of the total Bidders for a category shall be determined by draw of lots in a manner such that the total number of Equity Shares allotted in that category is equal to the number of Equity Shares calculated in accordance with (b) above.
- If the proportionate allotment to a Bidder is a number that is more than 40 but is not a multiple of one (which is the marketable lot), the number in excess of the multiple of one would be rounded off to the higher multiple of one if that number is 0.5 or higher. If that number is lower than 0.5, it would be rounded off to the lower multiple of one. All Bidders in such categories would be allotted Equity Shares arrived at after such rounding off.

If the Equity Shares allocated on a proportionate basis to any category are more than the Equity Shares allotted to the Bidders in that category, the remaining Equity Shares available for allotment shall be first adjusted against any other category, where the allotted shares are not sufficient for proportionate allotment to the successful Bidders in that category. The balance Equity Shares, if any, remaining after such adjustment will be added to the category comprising Bidders applying for minimum number of Equity Shares.

Illustration of Allotment to QIBs and Mutual Funds ("MF")

A. Issue details

Sr. No.	Particulars	Issue details
1.	Issue size	200 million Equity Shares
2.	Allocation to QIB (not more than 50% of the Net Issue)	100 million Equity Shares
	Of which:	
	a. Reservation For Mutual Funds, (5%)	5 million Equity Shares
	b. Balance for all QIBs including Mutual Funds	95 million Equity Shares
3.	Number of QIB applicants	10
4.	Number of Equity Shares applied for	500 million Equity Shares

B. Details of QIB Bids

Sr. No.	Type of QIB bidders#	No. of shares bid for (in million)
1.	A1	50
2.	A2	20
3.	A3	130
4.	A4	50
5.	A5	50
6.	MF1	40
7.	MF2	40
8.	MF3	80
9.	MF4	20
10.	MF5	20
	TOTAL	500

 # A1-A5: (QIB Bidders other than Mutual Funds), MF1-MF5 (QIB Bidders which are Mutual Funds)

C. Details of Allotment to QIB Bidders/Applicants

(Number of equity shares in million)

Type of QIB bidders	Shares bid for	Allocation of 6 million Equity Shares to MF proportionately (please see note 2 below)	Allocation of balance 114 million Equity Shares to QIBs proportionately (please see note 4 below)	Aggregate allocation to MFs
(I)	**(II)**	**(III)**	**(IV)**	**(V)**
A1	50	0	11.40	0
A2	20	0	4.56	0
A3	130	0	29.64	0
A4	50	0	11.40	0
A5	50	0	11.40	0
MF1	40	1.2	9.12	10.32
MF2	40	1.2	9.12	10.32
MF3	80	2.4	18.24	20.64
MF4	20	0.6	4.56	5.16
MF5	20	0.6	4.56	5.16
	500	6	**114**	**51.64**

Please note:

1. The illustration presumes compliance with the requirements specified in this Red Herring Prospectus in the section titled "Issue Structure" beginning on page 218 of this Red Herring Prospectus.
2. Out of 100 million Equity Shares allocated to QIBs, 5 million (i.e. 5%) will be allocated on proportionate basis among five Mutual Fund applicants who applied for 200 shares in the QIB Portion.
3. The balance 95 million Equity Shares [i.e. 100 - 5 (available for Mutual Funds only)] will be allocated on proportionate basis among 10 QIB Bidders who applied for 500 Equity Shares (including 5 Mutual Fund applicants who applied for 200 Equity Shares).
4. The figures in the fourth column titled "Allocation of balance 95 million Equity Shares to QIBs proportionately" in the above illustration are arrived as under:
    1. For QIBs other than Mutual Funds (A1 to A5) = Number of Equity Shares Bid for X 95 /495
    2. For Mutual Funds (MF1 to MF5)= [(No. of shares bid for (i.e., in column II of the table above) less Equity Shares allotted (i.e., column III of the table above)] X 95/495
    3. The numerator and denominator for arriving at allocation of 95 million Equity Shares to the 10 QIBs are reduced by 5 million shares, which have already been allotted to Mutual Funds in the manner specified in column III of the table above.

Mode of making refunds

1. The payment of refund, if any, would be done through the following various modes:
2. ECS. Payment of refund would be done through ECS for applicants having an account at any of the following fifteen centres: Ahmedabad, Bangalore, Bhubaneshwar, Kolkata, Chandigarh, Chennai, Guwahati, Hyderabad, Jaipur, Kanpur, Mumbai, Nagpur, New Delhi, Patna and Thiruvananthapuram. This mode of payment of refunds would be subject to availability of complete bank account details including the MICR code as appearing on a cheque leaf, from the Depositories. The payment of refunds is mandatory through ECS for applicants having a bank account at any of the abovementioned fifteen centres, except where the applicant, being eligible, opts to receive refund through NEFT, direct credit or RTGS. Refunds through ECS may also be done at other locations based on operational efficiency and in terms of demographic details obtained by Registrar from the depository participants.

3. NEFT. Payment of refund shall be undertaken through NEFT wherever the applicants. bank has been assigned the IFSC, which can be linked to a MICR, if any, available to that particular bank branch. IFSC will be obtained from the website of RBI as on a date immediately prior to the date of payment of refund, duly mapped with MICR numbers. Wherever the applicants have registered their nine digit MICR number and their bank account number while opening and operating the demat account, the same will be duly mapped with the IFSC of that particular bank branch and the payment of refund will be made to the applicants through this method. The process flow in respect of refunds by way of NEFT is at an evolving stage hence use of NEFT is subject to operational feasibility, cost and process efficiency. In the event that NEFT is not operationally feasible, the payment of refunds would be made through any one of the other modes as discussed in the sections.

4. Direct Credit. Applicants having bank accounts with the Refund Banks shall be eligible to receive refunds through direct credit. Charges, if any, levied by the Refund Banks for the same would be borne by the Company.

5. RTGS. Applicants having a bank account at any of the above mentioned fifteen centres and whose refund amount exceeds Rs. 1 million, have the option to receive refund through RTGS. Such eligible applicants who indicate their preference to receive refund through RTGS are required to provide the IFSC code in the Bid-cum application Form. In the event the same is not provided, refund shall be made through ECS. Charges, if any, levied by the Refund Banks for the same would be borne by our Company. Charges, if any, levied by the applicant's bank receiving the credit would be borne by the applicant.

6. For all other applicants, including those who have not updated their bank particulars with the MICR code, the refund orders will be dispatched under certificate of posting for value up to Rs. 1,500 and through Speed Post/ Registered Post for refund orders of Rs. 1,500 and above. Such refunds will be made by cheques, pay orders or demand drafts drawn on the Escrow Collection Banks and payable at par at places where Bids are received. Bank charges, if any, for cashing such cheques, pay orders or demand drafts at other centres will be payable by the Bidders. Please note that only Bidders having a bank account at any of the 15 centers where the clearing houses for the ECS are managed by the RBI are eligible to receive refunds through the modes stated above. For all the other Bidders, including Bidders who have not updated their bank particulars, along with the nine-digit MICR code, the refund orders shall be dispatched. Under Certificate of Posting for refund orders less than Rs. 1,500 and through speed post/registered post for efund orders exceeding Rs. 1,500.

Disposal of Applications and Application Moneys

Our Company shall give credit of Equity Share allotted to the beneficiary account with Depository Participants within 15 working days of the Bid Closing Date / Issue Closing Date. Applicants residing at 15 centres where clearing houses are managed by the Reserve Bank of India (RBI) will get refunds through ECS only (subject to availability of all information for crediting the refund through ECS) except where applicants are otherwise disclosed as eligible to get refunds through Direct Credit, NEFT or RTGS. In case of other applicants, our Company shall ensure dispatch of refund orders, if any, of value up to Rs. 1,500 by "Under Certificate of Posting", and shall dispatch refund orders above Rs. 1,500, if any, by registered post or speed post, except for Bidders who have opted to receive refunds through the Direct Credit, NEFT, RTGS or ECS facility. Applicants to whom refunds are made through electronic transfer of funds will be sent a letter through ordinary post intimating them about the mode of credit of refund within 15 working days of closure of Issue. Our Company shall ensure dispatch of refund orders, if any, by "Under Certificate of Posting" or registered post or speed post or Direct Credit, NEFT, RTGS or ECS, as applicable, only at the sole or First Bidder's sole risk within 15 days of the Bid Closing Date/Issue Closing Date, and adequate funds for making refunds to unsuccessful applicants as per the mode(s) disclosed shall be made available to the Registrar to the Issue by the Issuer. Our Company shall ensure dispatch of allotment advice, refund orders and give benefit to the beneficiary account with Depository Participants and submit the documents pertaining to the allotment to the Stock Exchanges within 2 (two) working days of date of Allotment. Our Company shall use best efforts to ensure that all steps for completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges where the Equity Shares are proposed to be listed, are taken within 7 (seven) working days after the finalisation of the basis of allotment. In accordance with the Companies Act, the requirements of the Stock Exchanges and the SEBI Guidelines we further undertake that:

- allotment of Equity Shares shall be made only in dematerialised form within 15 (fifteen) days of the Bid /Issue Closing Date;
- dispatch of refund orders, except for Bidders who have opted to receive refunds through the Direct Credit, NEFT, RTGS or ECS facility, within 15 (fifteen) working days of the Bid /Issue Closing Date would be ensured; and
- we shall pay interest at 15% (fifteen) per annum (for any delay beyond the 15 (fifteen)-day time period as mentioned above), if Allotment is not made and refund orders are not dispatched and/or demat credits are not made to investors within the 15 (fifteen)-day time prescribed above as per the guidelines issued by the Government of India, Ministry of Finance pursuant to their letter No. F/8/S/79 dated July 31, 1983, as amended by their letter No. F/14/SE/85 dated

September 27, 1985, addressed to the stock exchanges, and as further modified by SEBI's Clarification XXI dated October 27, 1997, with respect to the SEBI Guidelines. In a case where the refund or portion thereof is made in electronic manner through Direct Credit, NEFT, RTGS or ECS, and the refund instructions have not been given to the clearing system in the disclosed manner within 15 days from the Bid/Issue Closing Date, we shall pay interest at 15% per annum.

Refunds will be made by cheques, pay-orders or demand drafts drawn on a bank appointed by us, as an Escrow Collection Bank and payable at par at places where Bids are received, except for Bidders who have opted to receive refunds through the Direct Credit, NEFT, RTGS or ECS facility. Bank charges, if any, for encashing such cheques, pay orders or demand drafts at other centres will be payable by the Bidders.

Mode of Making Refunds

The permissible modes of making refunds are as follows:

(a) In case of applicants residing in any of the centers specified by the Board – by crediting of refunds to the bank accounts of applicants through electronic transfer of funds by using ECS (Electronic Clearing Service), Direct Credit, RTGS (Real Time Gross Settlement) or NEFT (National Electronic Funds Transfer), as is for the time being permitted by the Reserve Bank of India;

(b) In case of other applicants – by dispatch of refund orders by registered post, where the value is Rs. 1500 or more, or under certificate of posting in other cases, (subject however to postal rules); and

(c) In case of any category of applicants specified by the Board – crediting of refunds to the applicants in any other electronic manner permissible under the banking laws for the time being in force which is permitted by the board from time to time.

We shall use best efforts to ensure that all steps for completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges where the Equity Shares are proposed to be listed are taken within seven working days of finalizatiion of the basis of allotment.

In accordance with the Companies Act, the requirements of the stock exchanges and SEBI Guidelines, the Company further undertakes that allotment/ transfer of Equity Shares shall be made only in dematerialized form within 15 days of the Bid/ Issue Closing Date.

Interest in case of delay in dispatch of allotment letters/making refunds

We agree that allotment of securities issued to the public shall be made not later than 15 days from the Bid/Issue Closing Date. We further agree that we shall pay interest at 15% per annum if the allotment letters/refunds orders have not been dispatched to the applicants or if in a case where refund or portion thereof is made in an electronic manner, the refund instructions have not been given to the clearing system in a disclosed manner within 15 days from the Bid/Issue Closing Date.

In case of revision in the Price Band, the Bidding/Issue Period will be extended for three additional days after revision of Price Band. Any revision in the Price Band and the revised Bid/Issue Period, if applicable, will be widely disseminated by notification to the BSE and NSE, by issuing a press release, and also by indicating the change on the web site of the BRLMs and at the terminals of the Syndicate.

Undertaking by the Company

We undertake as follows:

- that the complaints received in respect of this Issue shall be attended to expeditiously and satisfactorily;
- that all steps will be taken for the completion of the necessary formalities for listing and commencement of trading at all the stock exchanges where the Equity Shares are proposed to be listed within seven working days of finalization of the basis of allotment;
- that the funds required for making refunds as per the modes disclosed or dispatch of allotment advice by registered post or speed post shall be made available to the Registrar to the Issue by us;
- that no further Issue of Equity Shares shall be made till the Equity Shares issued through this Prospectus are listed or until the bid monies are refunded on account of non-listing and under-subscription.
- refunds shall be made as per the modes disclosed and allotment advice shall be dispatched to NRIs or FIIs or foreign venture capital investors registered with SEBI within the specified time.

Utilization of Issue proceeds

The Board of Directors of our Company certifies that:

(a) all monies received out of the Issue shall be transferred to a separate Bank Account other than the bank account referred to in sub-section (3) of Section 73 of the Companies Act;

(b) details of all monies utilized out of this Issue referred above shall be disclosed under an appropriate separate head in the balance sheet of the Company indicating the purpose for which such unutilized monies have been invested; and

(c) Details of all unutilized monies out of this Issue, if any, shall be disclosed under an appropriate separate head in the balance sheet of our Company indicating the form in which such unutilized monies have been invested.

The Company shall not have recourse to the Issue Proceeds until the approval for listing and trading of the Equity Shares from all the Stock Exchanges where listing is sought has been received.

The details of all unutilized monies out of the funds received under the reservations shall be disclosed under a separate head in the balance sheet of the Company indicating then form in which such unutilized monies have been invested.

RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES

Foreign investment in Indian securities is regulated through the Industrial Policy, 1991 of the Government of India and FEMA. While the Industrial Policy, 1991 prescribes the limits and the conditions subject to which foreign investment can be made in different sectors of the Indian economy, FEMA regulates the precise manner in which such investment may be made. Under the Industrial Policy, unless specifically restricted, foreign investment is freely permitted in all sectors of the Indian economy up to any extent and without any prior approvals, but the foreign investor is required to follow certain prescribed procedures for making such investment. No person shall make a Bid in pursuance of this Issue unless such person is eligible to acquire Equity Shares of our Company in accordance with applicable laws, rules, regulations, guidelines and approvals.

Investors making a bid in response to the Issue will be required to confirm and will be deemed to have represented to our Company, the BRLMs, the Underwriters and their respective directors, officers, agents, affiliates and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to subscribed to the Equity Shares of our Company and will not issue, sell, pledge or transfer the Equity Shares of our Company to any person who is not eligible under applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares of our Company. Our Company, the BRLMs, the Underwriters and their respective directors, officers, agents, affiliates and representatives accept no responsibility or liability for advising any investor whether such investor is eligible to subscribe to Equity Shares of our Company.

Investment by FIIs

Under present regulations, the maximum permissible FII investment in our Company is restricted to 24% of our total issued capital. This can be raised to 100% by adoption of a Board resolution and special resolution by our shareholders; however, as of the date hereof, no such resolution has been recommended to Board or our shareholders for adoption.

By way of Circular No. 53 dated December 17, 2003, the RBI has permitted FIIs to subscribe to shares of an Indian company in a public Issue without prior RBI approval, so long as the price of Equity Shares to be issued is not less than the price at which Equity Shares are issued to residents.

The transfer of Equity Shares of NRIs, FIIs, Foreign Venture Capital Investors registered with SEBI shall be subject to the conditions as may be prescribed by the government of India or RBI while granting such approvals.

SECTION VIII: MAIN PROVISIONS OF THE ARTICLES OF ASSOCIATION OF OUR COMPANY

MAIN PROVISIONS OF THE ARTICLES OF ASSOCIATION OF OUR COMPANY

Pursuant to Schedule II of the Companies Act and the SEBI Guidelines, the main provisions of the Articles of Association are detailed below. Please note that each provision herein below is numbered as per the corresponding article number in the Articles of Association and defined terms herein have the meaning given to them in the Articles of Association.

Capitalised terms in this section have the meaning that has been given to such terms in the Articles of Association.

Table "A" not to Apply but Company to be governed by these Articles	1.	No regulations contained in Table "A" in the First Schedule to the Companies Act, 1956, or the Schedule to any previous Companies Act, shall apply to this Company, but the regulations for the management of the Company and for the observance of the members thereof and their representatives, shall subject to any exercise of the statutory powers by the Company with reference to the repeal or alteration of, or addition to its regulations by Special Resolution as prescribed by the said Companies Act, 1956, be such as are contained in the Articles.
		INTERPRETATION
Interpretation	2.	In the interpretation of these Articles the following expression shall have the following meanings, unless repugnant to the subject or context:
The Act		"The Act"—means the Companies Act, 1956, (Central Act 1 of 1956) or any statutory modification or re-enactment thereof for the time being in force.
Auditors		"Auditors" means and includes the persons appointed as such for the time being of the Company.
Board or Board of Directors		"Board" or "Board of Directors" means a meeting of the Directors or a Committee thereof duly called and constituted or as the case may be, the Directors assembled at a Board or the requisite number of Directors entitled to pass a Circular Resolution in accordance with these Articles, or acting by Circular Resolution under the Articles.
Bye-laws		"Bye-laws" means the Bye-laws which may be made by the Board of Directors of the Company under these Articles and which may for the time being be in force.
Capital		"Capital" means the capital for the time being raised or authorised to be raised for the purpose of the Company.
Chairman		"The Chairman" means the Chairman of the Board of Directors for the time being of the Company.
The Company or this company.		"The Company" or "This Company" mean KOLTE- PATIL DEVELOPERS LIMITED.
Debentures		"Debenture" includes Debenture stock.
Directors		"Directors" means the Directors for the time being of the Company or as the case may be, the Directors assembled at a Board, or acting under a Circular Resolution under the Articles.
Dividend		"Dividend" includes bonus.
Documents		"Documents" includes summons, notice, requisition, other legal process and registers whether issued, sent or kept in pursuance of this or any other Act or otherwise.
Executor or Administrator		"Executor" or "Administrator" means a person who has obtained probate or letter of administration, as the case may be, from a competent Court.
In writing and written		"In writing" and "written" include printing, lithography and other modes of representing or reproducing words in a visible form.
Marginal notes		The marginal notes hereto shall not affect the construction hereof.
Members		"Members" means the duly registered holders from time to time of the shares of the Company and includes the subscribers to the Memorandum of the Company.
General Meeting		"General Meeting" means a general meeting of the members.

Annual General Meeting	"Annual General Meeting" means a general meeting of the members held in accordance with the provision of Section 166 of the Act.
Extra-ordinary General Meeting	"Extra- ordinary General Meeting" means an extra-ordinary general meeting of the members duly called and constituted and any adjourned holding thereof.
Month	"Month" means a calendar month.
Office	"Office" means the Registered Office for the time being of the Company.
Ordinary Resolution	"Ordinary Resolution" shall have the meaning assigned to it by Section 189 of the Act.
Paid-up	"Paid-up" includes credited as paid up.
Persons	'Persons" includes individuals, any company or association or body of individuals whether incorporated or not.
Proxy	"Proxy" means an instrument whereby any person is authorised to vote for a member at the general meeting or poll.
The Register of Members	"The Register of Members" means the register of members to be kept pursuant to Section 150 of the Act.
The Registrar	"The Registrar" means the Registrar of Companies, Pune, Maharashtra.
The Company's resolution	"The Company's Regulations" means the regulations for the time being for the management of the Company.
Seal	"Seal" means the Common Seal for the time being of the Company.
Secretary	"Secretary" includes a temporary or assistant secretary and any person or persons appointed by the Board to perform any of the duties of Secretary.
Shares	"Shares" means the shares or stocks into which the capital of the Company is divided and the interest corresponding with such shares or stocks except where a distinction between stocks and shares is expressed or implied.
Special Resolution	"Special Resolution" shall have the meaning assigned thereto by Section 189 of the Act.
The Statutes	"The Statutes" means the Companies Act, 1956, and every other Act for the time being in force affecting the Company.
Year	"Year" means the calendar year and "Financial Year" shall have the meaning assigned thereto by Section 2(17) of the Act.
Gender	Words importing the masculine gender also include the feminine gender.
Singular Number	Words importing the singular number include where the context admits or requires, the plural number and vice versa.
Expression in the Act to bear the same meaning in the Articles.	Unless the context otherwise requires words and expressions contained in these Articles shall bear the same meaning as in the Act or any statutory modification thereof for the time being in force.

CAPITAL

Capital Substituted by Special resolution

"2. The Authorised Share Capital of the Company is Rs.80,00,00,000/- (Rupees Eight hundred million only) divided into 80000000 Equity Shares of Rs.10/- (Rupees Ten) each with a power for company to increase or reduce such capital and to issue any part of its capital, original or increase with or without any preference, priority or special privilege or subject to any postponement of rights to any conditions or restrictions or increased, with or without any preference, priority or special privilege or subject to any postponement of rights to any conditions or restrictions"

Redeemable Preference Shares

Provisions to apply on issue of Redeemable Preference Shares

2B.Subject to the provisions of Section 80 of the Act the Company shall have the power to issue preference shares which are or at the option of the Company are to be liable to be redeemed within the period of fifteen years and the resolution authorising such issue shall prescribe the manner, terms and conditions of redemption, the following provisions shall apply for issue redeemable Preference Shares

a) No such shares shall be redeemed except out of profits of the Company which would otherwise be available for dividend or out of the proceeds of a fresh issue of shares made for the purpose of redemption.

b) No such shares shall be redeemed unless they are fully paid.

c) The premium, if any, payable on redemption shall have been provided for out of the profits of the Company or out of the Company's share premium account before the shares are redeemed.

d) Where any such shares are redeemed otherwise than out of the proceeds of a fresh issue, there shall, out of the profits which would otherwise have been available for dividend, be transferred to a reserve fund to be called "The Capital Redemption, Reserve Account", a sum equal to the nominal amount of the shares redeemed and the provisions of the Act relating to the reduction of the share capital of the Company shall, except as provided in Section 80 of the Act apply as if the capital redemption reserve account were paid up share capital of the Company.

Preference shares. Right of Holders

2C (a) The holders of Preference Shares shall be entitled to be paid out of the profit which the Directors shall determine to distribute by way of dividend, a fixed cumulative preferential dividend at the rate of eight per cent per annum (free of Company's tax but subject to deduction of tax at source at the prescribed rates) on the amount credited as fully paid up thereon and to the rights, on winding up, (to be paid all arrears of preferential dividend, whether earned or declared or not, down to the commencement of the winding up, and also to be repaid the amount of capital paid or credited as paid up on the Preference Shares held by them respectively in priority to any payment in respect of Equity Shares, but shall not be entitled to any other rights in the profits or assets of the Company.

(b) Subject as aforesaid and to the rights of the holders of any other shares entitled by the terms of issue to preferential repayment over the Equity Shares in the event of the winding up of the Company, the holders of the Equity Shares shall be entitled to be repaid the amounts of capital paid up or credited as paid up on such shares, and all surplus assets thereafter shall belong to the holders of the Equity Shares in proportion to the amount paid up or credited as paid up on such Equity Shares respectively at the commencement of the winding up.

(c) Subject to the provisions of Section 80 of the Act, the following provisions shall apply in regard to the redemption of the Cumulative Preference Shares.

(i) The said Preference shares shall be redeemable at any time and either at one time or from time to time as the Company shall think fit upon giving to the holders of the particular shares to be redeemed not less than fifteen days previous notice in writing and the Company may apply any profits or moneys of the Company which may be lawfully applied for the purpose in the redemption of the Preference Shares at par, together with a sum equal to arrears of dividend thereon down to the date of redemption.

(ii) In the case of any partial redemption under sub-clause c (i) of this Article, the Company shall for the purpose of ascertaining the particular shares to be redeemed, cause a drawing to be made at the office or at such other place as the Directors may decide, in the presence of a representative of the Auditors for the time being of the Company.

(iii) Forthwith after every such drawing the Company shall give to the holders of the shares drawn for redemption notice in writing of the Company's intention to redeem the same fixing a time (not less than one months thereafter) and the place for the redemption and surrender of the shares to be redeemed.

(iv) At the time and place so fixed each holder shall be bound to surrender to the Company the certificate for his shares to be redeemed and the Company shall pay to him the amount payable in respect of such redemption and where any such certificate comprises any shares which have not been drawn for redemption, the Company shall issue to the holder thereof a fresh certificate.

(d) The Redeemable Cumulative Preference Shares shall not confer on the holders thereof the right to vote either in person or by proxy at any general meeting of the Company save to the extent and in the manner provided by Section 87 (2) of the Act.

(e) The rights, privileges and conditions for the time being attached to the Redeemable Cumulative Preference Shares may be varied, modified or abrogated in accordance with the provisions of these Articles and of the Act.

Increase of capital of the Company and how carried into effect

1. The Company in general meeting may, by ordinary resolution from time to time, increase the Capital by the creation of new shares and increase to be of such aggregate amount and to be divided into shares of such respective amounts as the resolution shall prescribe. The new shares shall be issued upon such terms and conditions and with such rights and privileges annexed thereto as the resolution shall prescribe, and in particular, such shares may be issued with a preferential or qualified right to dividends and in the distribution of assets of the Company and with a right of voting at general meeting of the Company in conformity with Sections 87 and 88 of the Act. Whenever the capital of the Company has been increased under the provisions of this Article, the Company shall file with the Registrar notice of the increase of capital as required by Section 97 of the Act within thirty days after the passing of the resolution authorising the increase.

Capital of two kinds only

2. Neither the original capital nor any increased capital shall be of more than two kinds, namely (i) equity share capital and (ii) preference share capital, as defined in Section 85 of the Act.

Shares with Differential Rights as to dividend, voting or otherwise

3. As provided in Section 86 of the Companies Act, 1956, the Company shall have a right to issue equity Share capital :
   1. with voting right or
   2. with differential rights as to dividend, voting or otherwise in accordance with such rules and subject to such conditions as may be prescribed.

New Capital same as existing capital

4. Except in so far as otherwise provided by the conditions of issue or by these Articles any capital raised by the creation of new shares, shall be considered as part of the existing capital and shall be subject to the provisions herein contained with reference to the payment of calls and installment, forfeiture, lien, surrender, transfer and transmission, voting and otherwise.

Reduction of Capital

5. The Company may (subject to the provisions of Sections 78, 80 and 100 to 105, both inclusive, and other applicable provisions, if any, of the Act) from time to time by special resolution, reduce (a) its share capital, (b) any capital redemption reserve account or (c) any share premium account in any manner and with and subject to any incidents, for the time being, authorised and consent required by law and in particular capital may be paid off on the footing that it may be called up again or otherwise. This Article is not to derogate from any power the Company would have if it were omitted.

Buy Back of Shares

6. As per Section 77A of the Act, the Company has a right to buy back its own shares, provided that such acquisition/purchase shall not be construed as reduction of Equity Share Capital of the Company.

Increase of share capital, Consolidation division, subdivision and cancellation of shares.

7. Subject to the provisions of Section 94 of the Act, the Company in general meeting may from time to time by an ordinary resolution alter the conditions of its Memorandum as follows:

(a) Increase its share capital by such amount as it thinks expedient by issuing new shares;

(b) Consolidate and divide all or any of its capital into shares of larger amount than its existing shares;

(c) Sub-divide its shares, or any of them into shares of smaller amount than is fixed by the Memorandum, so however that in the sub-division the proportion between the amount paid and the amount, if any, unpaid on each reduced share shall be the same as it was in the case of the share from which the reduced share is derived;

(d) Cancel any shares which, at the date of passing of the resolution have not been taken or agreed to be taken by any person and diminish the amount of its share capital by the amount of the shares so cancelled. A cancellation of shares in pursuance of this sub-clause shall not be deemed to be reduction of share capital within the meaning of the Act.

Whenever the Company shall do any one or more of the things provided for in the foregoing sub-clauses (a), (b) and (c) the Company shall, within thirty days thereafter give notice thereof to the Registrar as required by Section 95 of the Act specifying, as the case may be, the share consolidated, divided, sub-divided or cancelled.The Company shall thereupon request the Registrar to record the notice and make any alterations which may be necessary in the Company's Memorandum or Articles or both.

Modification of Rights

8. Whenever the capital, by reason of the issue of preference shares or otherwise, is divided into different classes of shares, all or any of the rights and privileges attached to each class (unless otherwise provided by the terms of issue of the shares of that class) may, subject to the provisions of Section 106 and 107 of the Act, be varied, modified, commuted, affected or abrogated, or dealt with consent in writing of the holders of not less than three-fourth of the issued capital of that class or with the sanction of a special resolution passed at a separate general meeting of the holders of shares of that class, and all the provisions hereafter contained as to general meetings shall *mutatis mutandis,* apply to every such meeting. This Article is not to derogate from any power the Company would have if this Article was omitted. The rights conferred upon the holders of the shares (including preference shares, if any) of any class issued with preferred or other rights or privileges shall unless otherwise expressly provided by the terms of the issue of shares of that class, be deemed not to be modified, commuted, affected, abrogated, dealt with or varied by the creation or issue of further shares ranking *pari passu* there with.

SHARES AND CERTIFICATES

Register and index of members

9. The Company shall cause to be kept a Register of index of members in accordance with Sections 150 and 151 of the Act. The Company shall be entitled to keep in any State or Country outside India a branch register of members resident in that State or Country.

Restriction on allotment and Return of allotment

10. The Board of Directors shall observe the restrictions as to allotment of shares to the public contained in Sections 69 and 70 of the Act and shall cause to be made the returns as to allotment provided for in Section 75 of the Act.

Further issue of capital.

11. (1) Where at any time after the expiry of two years from the formation of the Company or at any time after the expiry of one year from the allotment of shares in the Company made for the first time after its formation, whichever is earlier, it is proposed to increase the subscribed capital of the Company by allotment of further shares whether out of unissued share capital or out of increased share capital;

(a) Such further shares shall be offered to the persons who, at the date of the offer, are holders of the equity shares of the Company in proportion, as nearly as circumstances admit, to the capital paid up on those shares at that date;

(b) Such offer shall be made by a notice specifying the number of shares offered and limiting a time not being less than fifteen days from the date of the offer within which the offer, if not accepted, will be deemed to have been declined;

(c) The offer aforesaid shall be deemed to include a right exercisable by the person concerned to renounce the shares offered to him or any of them in favour of any other person and the notice referred to in sub-clause (b) hereof shall contain a statement of this right;

PROVIDED THAT the Directors may decline, without assigning any reason, to allot any shares to any person in whose favour any member may renounce the share offered to him;

(d) After the expiry of the time specified in the aforesaid notice, or on receipt of earlier intimation from the person to whom such notice is given that he declines to accept the shares offered, the Board of Directors may dispose them of in such manner as they think most beneficial to the Company.

(2) Notwithstanding anything contained in sub-clause (1) hereof, the further shares aforesaid may be offered to any persons (whether or not those persons include the persons referred to in clause (a) sub-clause (1) hereof in any manner whatsoever:

(a) if a special resolution to that effect is passed by the Company in general meeting; or

(b) where no such special resolution is passed, if the votes cast (whether on a show of hands, or on a poll, as the case may be) in favour of the proposal contained in the resolution moved in that general meeting

(including the casting vote if any, of the Chairman) by members, who being entitled so to do, vote in person, or where proxies are allowed, by proxy, exceed the votes, if any, cast against the proposal by members, so entitled and voting and the Central Government is satisfied, on an application made by the Board of Directors in this behalf, that the proposal is most beneficial to the Company.

(3) Nothing in sub-clause (c) of Clause (1) hereof shall be deemed:-

(a) to extend the time within which the offer should be accepted, or

(b) to authorise any person to exercise the right of renunciation for a second time, on the ground that the person in whose favour the renunciation was first made has declined to take the shares comprised in the renunciation.

(4) Nothing in this Article shall apply to the increase of the subscribed capital of the Company caused by the exercise of an option attached to the debentures issued or loans raised by the Company-

(a) to convert such debentures or loans into shares in the Company or

(b) to subscribe for shares in the Company (whether such option is concerned in these Articles or otherwise);

PROVIDED that the terms of issue of such debentures or the terms of such loans include a term providing for such option and such term

(a) Either has been approved by the Central Government before the issue of the debentures or the raising of the loans, or is in conformity with the rules, if any, made by that Government in this behalf; and

(b) in the case of the debentures or loans other than debentures issued to, or loans obtained from, the Government or any institution specified by the Central Government in this behalf, has also been approved by a special resolution passed by the Company in general meeting before the issue of the debentures or the raising of the loans.

Shares under Control of Directors

12. Subject to the provisions of these Articles and of the Act, the shares shall be under the control of the Directors who may issue, allot or otherwise dispose of the same to such persons, in such proportion and on such terms and conditions and either at a premium or at par or (subject to the compliance with the provisions of section 79 of the Act) at discount and at such times, as they think fit and with full power subject to the sanction of the Company in general meeting to give any person the option to call for or be allotted shares of any class of the Company either at a premium or at par or at a discount subject to the provisions of Sections 78 and 79 of the Act and for such time and for such consideration as the Directors think fit.

Application of premium received on shares

13. (1) Where the Company issues shares at a premium whether for cash or otherwise, a sum equal to the aggregate amount or value of the premium on those shares shall be transferred to an account, to be called “THE SHARE PREMIUM ACCOUNT” and the provisions of the Act relating to the reduction of the share capital of the Company shall except as provided in this clause, apply as if the share premium account were paid up share capital of the Company.

(2) The share premium account may, notwithstanding clause (1) hereof be applied by the Company;

(a) in paying up unissued shares of the Company, to be issued to the members of the Company as fully paid bonus shares;

(b) in writing off the preliminary expenses of the Company;

(c) in writing off the expenses of or the commission paid or discount allowed, on any issue of shares or debentures of the Company, or

(d) in providing for the premium payable on the redemption of any redeemable Preference shares or of any debentures of the Company.

Power also to Company in General Meeting to issue shares.

14. (i) In addition to and without derogating from the powers for that purpose conferred on the Board under Articles 17 and 18, the Company in General Meeting may subject to the provisions of Section 81 of the Act, determine that any shares (whether forming part of the original capital or of any increased capital of the Company) be offered to such persons (whether members or not) in such proportion and on such terms and conditions and either at a premium or at par or at a discount (subject to compliance with the provisions of Sections 78 and 79 of the Act) as such general meeting shall determine and with full power to give any person whether a member or not the option to call for or be allotted shares of any class of the Company either at a premium or at par or at a discount (subject to compliance with the provisions of Sections 78 and 79 of the Act) such option being exercisable at such time and for such consideration as may be directed by such general meeting or the Company in general meeting may make any other provisions whatsoever for the issue, allotment or disposal of any such shares.

(ii) The Company shall have the right to issue sweat equity shares / stock option shares to employees or directors of the Company or its subsidiaries, on such terms and conditions as may be decided by the Board to the extent and in manner laid down under the Act.

Shares at a discount.

15. The Company may issue at a discount shares of the Company of a class already issued, if the following conditions are fulfilled, namely :

(i) the issue of the shares at a discount is authorised by a resolution passed by the Company in general meeting and sanctioned by the Court;

(ii) the resolution specifying the maximum rate of discount (not exceeding ten per cent or such higher percentage as the Central Government may permit in any special case) at which the shares are to be issued; and

(iii) The shares to be issued at a discount are issued within two months after the date on which the issue is sanctioned by the Court or

(iv) Within such extended time as the Court may allow.

Instalments on shares to be duly paid.

16. If by the conditions of any allotment of any shares the whole or any part of the amount or issue price thereof shall be payable by instalment, every such instalment shall, when due, be paid to the Company by the person who for the time being and from time to time shall be the registered holder of the shares or his legal representatives.

The board may issue shares as fully paid-up.

17. Subject to the provisions of the Act and these Articles, the Board may allot and issue shares in the capital of the Company on payment in full or part of any property sold or transferred or for service rendered to the Company in the conduct of its business and any shares which may be so issued shall be deemed to be fully paid-up shares. Provided that option or right to call of shares shall not be given to any person or persons without the sanction of the Company in the General Meeting.

Acceptance of Shares.

18. Any application signed by or on behalf of an applicant for shares in the Company, followed by an allotment of any share therein, shall be an acceptance of shares within the meaning of these Articles; and every person who thus or other wise accepts any shares and whose name is therefore placed on the register shall, for the purpose of these Articles, be a member.

Deposit and Call etc. to be a debt payable

19. The money (if any) which the Board of Directors shall, on the allotment of any shares being made by them, require or direct to be paid by way of deposit, call or otherwise, in

respect of any shares allotted by them, shall immediately on the inscription of the name of the allottee in the register of members as the name of the holder of such shares, become a debt due to and recoverable by the Company from the allottee thereof, and shall be paid by him accordingly.

Liability of Members.

20. Every member, or his heirs, executors or administrators to the extent of his assets which come to their hands shall be liable to pay to the Company the portion of he capital represented by his share or shares which may, for the time being, remain unpaid thereon in such amounts, at such time or times, and in such manner as the Board of Directors shall from time to time, in accordance with the Company's regulations require or fix for the payment thereof.

Share Certificates

21. (a) Every member or allottee of shares shall be entitled, without payment, to receive one certificate for all the shares of the same class registered in his name, or if the Directors so approve (upon paying such fee as the Directors may from time to time determine) to several certificates, each for one or more of such shares, specifying the name of the person in whose favour it is issued, the share certificate number and the distinctive number (s) of the shares to which it relates and the amount paid up thereon. Such certificate shall be issued only in pursuance of a resolution passed by the Board and on surrender to the Company of its letter of allotment or its fractional coupons of requisite value, save in cases of issues against Letters of acceptance or of renunciation, or in cases of issue of bonus shares.

PROVIDED THAT if the letter of allotment is lost or destroyed the Board may impose such reasonable terms, if any, as it thinks fit, as to evidence and indemnity and the payment of out of pocket expenses incurred by the Company in investigating the evidence. The Certificates of title to shares shall be issued under the Seal of the Company and shall be signed in conformity with the provisions of the Companies (Issue of Share Certificates) Rules, 1960 or any statutory modification or re-enactment thereof for the time being in force. Printing of blank forms to be used for issue of Share Certificates and maintenance of books and documents relating to issue of Share Certificates shall be in accordance with the provisions of aforesaid rules. Such certificates of title to shares shall be completed and kept ready for delivery within three months after the allotment unless the conditions of issue of shares provide otherwise.

(b) Any two or more joint allottees or holders of a share shall, for the Purpose of this Article, be treated as a single member and the certificate of any Share, which may be the subject of joint ownership, may be delivered to any one of such joint owners on behalf of all of them.

Renewal of Share Certificates

22. No certificate of any share or shares shall be issued either in exchange for those which are subdivided or consolidated or in replacement of those which are defaced, torn or old, decrepit, worn out, or where the cages on the reverse for recording transfers have been duly utilised, unless the certificate in lieu of which it is issued, is surrendered to the Company.

(a) When a new share certificate has been issued in pursuance of clause (a) of this Article, it shall state on the face of it and against the stub or counterfoil to the effect that it is "issued in lieu of share certificate No.___________ subdivided/replaced."

(b) If a share certificate is lost or destroyed, a new share certificate in lieu thereof shall be issued only with the prior consent of the Board and on such terms, if any, as to evidence and indemnity as to the payment of out of pocket expenses incurred by the Company in investigating evidence, as the Board thinks fit.

(c) When a new share certificate has been issued in pursuance of clause (c) of this Article, it shall state on the face of it and against the stub or counterfoil, to the effect that it is "duplicate issued in lieu of share certificate No._____________". The word duplicate shall be stamped or punched in bold letters on the face of the share certificate. Where a new share certificate has been issued in pursuance of clause (a) or clause (c) of this Article, particulars of every such share certificate shall be entered in a Register of Renewed and Duplicate certificate indicating against the names of the persons to whom the certificate is Issued, the number and date of issue of share certificate in lieu of which the new certificate is issued, and the necessary changes indicated in the Register of Members by suitable cross reference in the "Remarks" column.

(d) No fee shall be charged for issue of new share certificates in replacement of those which are old, decrepit or worn out or where the cages on the reverse for recording transfers have been fully utilised or for subdivision or consolidation of share certificates into lots of the market unit.

(e) Notwithstanding anything contained under these Articles, no request for sub-division of Share Certificates or Letters of Allotment into denomination of less than 50 (fifty) shares shall be accepted, unless otherwise resolved by the Board of Directors, except when such sub-division is required to be made to comply with a Statutory Order or an Order of a Competent Court of Law.

(f) Provided that notwithstanding what is stated above the Directors shall comply with such Rules or Regulations or requirements of any stock exchange or the Rules made under the Act or the Rules made under the Securities Contacts (Regulation) Act, 1956 or any other Act, or rules applicable in this behalf.

The first named of joint holders deemed sole holders

23. If any share stands in the name of two or more persons first named in the Register shall, as regards receipts of dividends or bonus or service of notices and all or any other matter connected with the Company, except voting at meeting and the transfer of shares, be deemed the sole holder thereof but the joint holders of a share, shall severally as well as jointly be liable for the payment of all installments and calls due in respect of such share, and for all incidents thereof according to the Company's Regulations.

Company not bound to recognise any interest in share other than of registered holders

24. Except as ordered by a Court of competent jurisdiction or as required by law, the Company shall not be bound to recognise, even when having notice thereof, any equitable, contingent, benami, trust of equity, future or partial interest in any share, or (except only as is by these Articles otherwise expressly provided) any right in respect of a share other than an absolute right thereto, in accordance with these Articles, in the persons who are from time to time registered as the holders thereof; but the Board shall be at liberty at their sole discretion, to register any share in the joint names of any two or more persons (but not exceeding 3 persons) or the survivor or survivors of them.

No purchase of or loans on Company's shares

25. None of the funds of the Company shall except as provided by Section 77 of the Act be employed in the purchase of its own shares, unless the consequent reduction of capital is effected and sanction in pursuance of Sections 78, 80 and 100 to 105 of the Act and these Articles or in giving either directly or indirectly and whether by means of a loan, guarantee, the provision of security or otherwise, any financial assistance for the purpose of or in connection with a purchase or subscription made or to be made by any person, of or for any shares in the Company or in its holding Company.

UNDERWRITING AND BROKERAGE

Commission may be paid

26. Subject to the provisions of Section 78 of the Act the Company may at any time pay a commission to any person in consideration of his subscribing or agreeing to subscribe (whether absolutely or conditionally) for any shares or debentures in the Company, or procuring, or agreeing to procure subscriptions (whether absolute or conditional) for any shares or debentures of the Company, but so that the commission shall not exceed in the case of shares five per cent of the price at which the shares are issued and in the case of debentures two and a half per cent of the price at which the debentures are issued. Such commission may be satisfied by payment of cash or by allotment of fully or partly paid shares or debentures as the case may be or partly in one way and partly in the other.

Brokerages.

27. The Company may on any issue of shares or debentures pay such brokerage as may be reasonable and lawful.

Commission to be included in the Annual Return

28. Where the Company has paid any sum by way of commission in respect of any shares or debentures or allowed any sums by way of discount in respect of any shares or debentures such statement thereof shall be made in the Annual Return as required by Part I of Schedule V to the Act.

INTEREST OUT OF CAPITAL

Interest out of Capital.

29. Where any shares are issued for the purpose of raising money to defray the expenses of the construction of any works or buildings, or the provisions of any plant, which cannot be

made profitable for lengthy period, the Company may pay interest on so much of that share capital as is for the time being paid up, for the period, at the rate and subject to the conditions and restrictions provided by Section 208 of the Act, and may charge the same to Capital as part of the cost of construction of the work or building or the provision of the plant.

CALLS

Directors may make calls

30. The Board may, from time to time, subject to the terms on which any shares may have been issued and subject to the conditions of allotment by a resolution passed at a meeting of the Board (and not by circular resolution) make such calls as it thinks fit upon the members in respect of all moneys unpaid on the shares held by them respectively and each member shall pay the amount of every call so made on him to the person or persons and at the times and places appointed by the Board. A call may be made payable by installments.

Notice of calls

31. Fourteen days' notice in writing of any call shall be given by Company specifying the time and place of payment and the person or persons to whom such call shall be paid.

Calls to date from resolution.

32. A call shall be deemed to have been made at the time when the resolution authorising such call was passed at a meeting of the Board.

Calls may be revoked or postponed

33. A call may be revoked or postponed at the discretion of the Board.

Liability of joint holders

34. The joint holders of a share shall be jointly and severally liable to pay all calls in respect thereof.

Directors may extend time

35. The Board may from time to time, at its discretion, extend the time fixed for payment of any call, and may extend such time as to all or any of the members whom the Board may deem fairly entitled to such extension but no member. shall be entitled to such extension save as a matter of grace and favour.

Calls to carry interest

36. If any member fails to pay any call due from him on the day appointed for payment thereof, or any such extension thereof as aforesaid, he shall be liable to pay interest on the same from the day appointed for the payment thereof to the time of actual payment at such rate as shall, from time to time, be fixed by the Board but nothing in his Article shall render it obligatory for the Board to demand or recover any interest from any such member.

Sums deemed to be calls

37. Any sum, which by the terms of issue of a share becomes payable on allotment or at any fixed date, whether on account of the nominal value of the share or by way of premium shall for the purposes of these Articles be deemed to be a call duly made and payable on the date on which by the terms of issue the same becomes payable, and in case of non-payment all the relevant provisions of these Articles as to payment of interest and expenses, forfeiture or otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified.

Proof on trial or suit for money due on shares

38. On the trial or hearing of any action or suit brought by the Company against any member or his representatives for the recovery of any money claimed to be due to the Company in respect of his shares, it shall be sufficient to prove that the name of the member in respect of whose shares the money is sought to be recovered, appears entered on the register of members as the holder, at or subsequent to the date at which the money is sought to be recovered, is alleged to have become due on the shares in respect of which such money is sought to be recovered, that the resolution making the call is duly recorded in the minutes book, and that notice of such call was duly given to the member or his representatives sued in pursuance of these Articles, and that it shall not be necessary to prove the appointment of the Directors who. made such call, nor that a quorum of directors was present at the Board at which any call was made, nor that the meeting at which any call was made was duly convened or constituted nor any other matters whatsoever but the proof of the matters aforesaid shall be conclusive evidence of the debt.

Partial payment not to preclude forfeiture

39. Neither the receipt by the Company of a portion of any money which shall, from time to time, be due from any member to the Company in respect of his shares, either by way of principal or interest nor any indulgence granted by the Company in respect of the payment of any such money shall preclude the Company from thereafter proceeding to enforce a forfeiture of such shares as hereinafter provided.

Payment in anticipation of Calls may carry interest

40. (a) The Board may, if it thinks fit, agree to and receive from any member willing to advance the same, all or any part of the amounts of his respective shares beyond the sums actually called up and upon the moneys so paid in advance, or upon so much thereof, from time to time and at any time thereafter as –exceeds the amount of the calls then made upon and due in respect of the shares on account of which such advances are made, the Board may pay or allow interest, at such rate as the member paying the sum in advance and the Board agree upon, the Board may agree to repay at any time an amount so advanced or may at any time repay the same upon giving to the member three months' notice in writing, provided that moneys paid in advance of calls on any shares may carry interest but shall not confer a right to dividend or to participate in profits.

(b) No member paying any such sum in advance, shall be entitled to voting right in respect of the moneys so paid by him until the same would, but for such payment, become presently payable.

41. A The provision of these articles shall mutatis mutandis apply to the calls on debentures of the Company.

LIEN

Company to have lien on shares

42. The Company shall have a first and paramount lien upon all shares (other than fully paid up shares which shall be free from all lien) registered in the name of each member (whether solely or jointly with others) and upon the proceeds of the sale thereof, for all moneys (whether presently payable or not), called or payable at a fixed time in respect of such shares and no equitable interests in any such share shall be created except upon the footing and condition that this Article is to have full legal effect. Any such lien shall extend to all dividends and bonuses from time to time declared in respect of shares. Unless otherwise agreed the registration of a transfer of shares shall operate as a waiver of the company's lien, if any on such shares. Provided that the Board of Directors may, at any time, declare any share to be wholly or in part exempt from the provisions of this Article.

As to enforcing lien by sale

43. The Company may sell, in such manner as the Board thinks fit, any shares on which the Company has a lien for the purpose of enforcing the same. Provided that no sale shall be made :

(2) unless a sum in respect of which the lien exists is presently payable; or

(3) until the expiration of fourteen days after a notice in writing stating and demanding payment of such part of the amount in respect of which the lien exists as is presently payable has been given to the registered-holder for the time being of the share or the person entitled thereof by reason of his death or insolvency. For the purpose of such sale the Board may cause to be issued a duplicate certificate in respect of such shares and may authorise out of their number to execute a transfer thereof on behalf of and in the name of such members shares and may authorise out of their number to execute a transfer thereof on behalf of and in the name of such members.

Transfer of shares sold under lien.

44. (1) To give effect to any such sale, the Board may authorise some person to transfer the shares sold to the purchaser thereof.

(2) The Purchaser shall be registered as the holder of the shares comprised in any such transfer.

(3) The Purchaser shall not be bound to see to the application of the purchase money, nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings in reference to the sale.

Application of proceeds of sale.

45. (1) The net proceeds of any such sale shall be received by the Company and applied in or towards payment of such part of the amount in respect of which the lien exists as is presently payable, and

(1) The residue, if any, shall be paid to the person entitled to the shares at the date of the sale (subject to a like lien for sums not presently payable as existed on the Share before the sale).

FORFEITURE OF SHARES

If money payable on shares not paid, notice to be given to member

46. If any member fails to pay any call or any installment of a call on or before the day appointed for the payment of the same or any such extension thereof as aforesaid, the Board of Directors may, at any time thereafter, during such time as the call for installment remains unpaid, give notice to him requiring him to pay the same together with any interest that may have accrued and all expenses that may have been incurred by the Company by reason of such non-payment.

If calls or installments not paid, notice may be given.

47. For the purpose of the provisions of these presents relating to forfeiture of shares, the sum payable upon allotment in respect of a share shall be deemed to be a call payable upon such share on the day of allotment.

Form of notice

48. The notice shall name a day (not being less than fourteen days from the date of the notice) and a place or places on and at which such call or installment and such interest thereon at such rate and expenses as aforesaid are to be paid. The notice shall also state that, in the event of the non-payment at or before the time and at the place appointed the shares in respect of which the call was made or instalment is payable will be liable to be forfeited.

In default of payment of shares to be forfeited

49. If the requirements of any such notice as aforesaid shall not be complied with, every or any share in respect of which such notice has been given may at any time thereafter before payment of all calls or instalments, interest and expenses due in respect thereof, be forfeited by a resolution of the Board of Directors to that effect. Such forfeiture shall include all dividends declared or any other moneys payable in respect of the forfeited shares and not actually paid before the forfeiture.

Notice of forfeiture to a member

50. When any share shall have been so forfeited, notice of the forfeiture shall be given to the member in whose name it stood immediately prior to the forfeiture, and an entry of the forfeiture, with the date thereof, shall forthwith be made in this Register of Members, but no forfeiture shall be in any manner invalidated by any omission or neglect to give such notice or to make any such entry as aforesaid.

Forfeited shares to be the property of the Company and may be sold etc.

51. Any share so forfeited, shall be deemed to be the property of the Company and may be sold, reallotted or otherwise disposed of, either to the original holder thereof or to any other person, upon such terms and in such manner as the Board of Directors shall think fit.

Members still liable to pay money owing at the time of forfeiture and interest

52. Any member whose shares have been forfeited shall notwithstanding the forfeiture, be liable to pay and shall forthwith pay to the Company on demand all calls, instalments, interest and expenses owing upon or in respect of such shares at the time of the forfeiture together with interest thereon from the time of the forfeiture until payment, at such rate not exceeding twelve per cent per annum as the Board of Directors may determine and the Board of Directors may enforce the payment of such moneys or any part thereof, if it thinks fit, but shall not be under any obligation so to do.

Effect of forfeiture

53. The forfeiture of a share shall involve extinction at the time of the forfeiture, of all interest in and all claims and demands against the Company in respect of the share and all other rights incidental to the share, except only such of those rights as by these Articles are expressly saved.

Power to annul forfeiture

54. The Board of Directors may at any time before any share so forfeited shall have been sold; re-allotted or otherwise disposed of, annul the forfeiture thereof upon such conditions as it thinks fit.

Validity of forfeiture

55. (1) A duly verified declaration in writing that the declarant is a Director, the Managing Director or the Manager or Secretary of the Company, and that a share in the Company has been duly forfeited in accordance with these Articles, on a date stated in the declaration, shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the share.

(2) The Company may receive the consideration if any, given for the share on any sale, re-allotment or other disposal thereof and may execute a transfer of the share in favour of the person to whom the share is sold or disposed of.

(3) The person to whom such share is sold, re-allotted or disposed of shall thereupon be registered as the holder of the shares.

(4) Any such purchaser or allottee shall not (unless by express agreement) be liable to pay any calls, amounts, instalments, interest and expenses owing to the Company prior to such purchase or allotment nor shall be entitled (unless by express agreement) to any of the dividends, interest or bonuses accrued or which might have accrued upon the share before the time of completing such purchase or before such allotment.

(5) Such Purchaser or allottee shall not be bound to see to the application of the purchase money, if any, nor shall his title to the share be effected by any irregularity or invalidity in the proceedings in reference to the forfeiture, sale, re-allotment or other disposal of the share.

Provision of these articles as to forfeiture to apply in case of non-payment of any sum

56. The provisions of these Articles as to forfeiture shall apply in the case of non-payment of any sum which, by the terms of issue of a share becomes payable at a fixed time, whether on account of the nominal value of a share or by way of premium, as if the same had been payable by virtue of a call duly made and notified.

Cancellation of shares certificates in respect of forfeited shares.

57. Upon any sale, re-allotment or other disposal under the provisions of the preceding Articles, the certificates originally issued in respect of the relative shares shall (unless the same shall on demand by the Company have been previously surrendered to it by the defaulting member) stand cancelled and become null and void and of no effect, and the Directors shall be entitled to issue a new certificate or certificates in respect of the said shares to the persons entitled there to.

Surrender of shares.

58. The Directors may, subject to the provisions of the Act, accept a surrender of any share from or for any member desirous of surrendering on such terms as they think fit.

TRANSFER AND TRANSMISSION OF SHARES

Register of Transfers

59. The Company shall keep a book, to be called the Register of Transfers, and therein shall be fairly and distinctly entered particulars of every transfer or transmission of any share.

Instrument of transfer

60. The Instrument of transfer of any shares in the Company shall be in writing in the usual common form and such Instrument of transfer, duly signed by the Transferor and Transferee shall be deposited with the Company and subject to the provisions of Section l08 (3) of the Act, no transfer shall be registered until such instrument shall be so deposited together with the certificate of the shares to be transferred and together with any other evidence the Board may require to prove the title of the Transferor of his right to transfer the shares and no fee or sum whatever shall be payable for the registration of any transfer and the instrument of transfer shall registration be kept by the company but all the instruments of transfer which the Board may decline to register shall be returned to the person depositing the same.

Application for transfers

61. (1) An application for the registration of a transfer of the shares in the Company may be made either by the transferor or the transferee.

(2) Where the application is made by the transferor and relates to partly paid shares, the transfer shall not be registered unless the Company gives notice of the application to the transferee and the transferee makes no objection to the transfer within two weeks from the receipt of the notice.

(3) For the purpose of sub-clause (2), above, notice to the transferee shall be deemed to have been duly given if it is dispatched by pre-paid registered post to the transferee at the address given in the instrument of transfer and shall be deemed to have been duly delivered at the time at which it would have been delivered in the ordinary course of post.

To be executed by transferor and transferee

62. Every such instrument of transfer duly stamped shall be executed by or on behalf of both the transferor and the transferee and attested and the transferor shall be deemed to remain the holder of such share until the name of the transferee shall have been entered in the Register of Members in respect thereof.

Transfer by legal representative

63. A transfer of a share in the Company of a deceased member thereof made by his legal representative shall, although the legal representative is not himself a member, be as valid as if he had been a member at the time of the execution of the instrument of transfer

Transfer of shares

64. The Company shall issue share certificates duly transferred within one month from the date of lodgement of valid instrument of transfer.

Transfer books when closed

65. The Board of Directors shall have power on giving not less than seven days' previous notice by advertisement in some newspaper circulating in the district in which the registered office of the Company is situate to close the Transfer Books, the Register of Members or the Register of Debenture Holders at such time or times and for such period or periods not exceeding thirty days at a time, and not exceeding in the aggregate forty-five days in each year as it may seem expedient to the Board.

66. A. Subject to the provisions of Section 111 of the Act and Section 22A of the Securities Contracts (Regulation) Act, 1956, the Directors may, at their own absolute and uncontrolled discretion and by giving reasons, decline to register or acknowledge any transfer of shares, whether fully paid-up or not and the right of refusal shall not be affected by the circumstances that the proposed transferee is already a member of the Company but in such cases, the Directors shall within one month from the date on which the instrument of transfer was lodged with the Company, send to the transferee and the transferor notice of the refusal to register such transfer, provided further that the registration of transfer shall not be refused on the ground of the transferor being alone or either jointly with any other person or persons indebted to the Company on any account except when the Company has a lien on the shares.

Death of one or more Joint holders of shares.

67. In case of the death of any one or more persons named in the Register of Members as the joint-holders of any share, the survivor or survivors shall be the only persons recognised by the Company as having any title to or interest in such share, but nothing herein contained shall be taken to release the estate of a deceased joint-holder from any liability on shares held by him jointly with any other person.

Titles to shares of deceased member

68. The executors' or administrators of a deceased member or the holder of a succession certificate or the legal representatives in respect of the shares of a deceased member (not being one of two or more joint-holders) shall be the only persons recognised by the Company as having any title to the shares registered in the names of such members, and the Company shall not be bound to recognise such executors or administrators or holders of a succession certificate of the legal representatives unless such executors or administrators or legal representatives shall have first obtained Probate or Letters of Administration, or Succession Certificate as the case may be, from a duly constituted Court in the Union of India provided that in any case where the Board of Directors in its absolute discretion thinks fit, the Board upon such terms as to indemnity or otherwise as the Directors may deem proper dispense with production of Probate or Letters of Administration or Succession Certificate and register under Article the name of any person who claims to be absolutely entitled to the shares standing in the name of a deceased member, as a member.

Registration of persons entitled to shares otherwise than by transfer, (Transmission Clause).

69. Subject to the provisions of Articles 71 any person becoming entitled to any share in consequence of the death, lunacy, bankruptcy or insolvency of any member or by any lawful means other than by a transfer in accordance with these Articles, may with the consent of the Board of Directors (which it shall not be under obligation to give) upon producing such evidence that he sustains the character in respect of which he proposes to act under these, Articles, or of this title, as the Board of Directors shall require, and upon giving such indemnity as the Directors shall require either be registered as a member in respect ofsuch share or elect to have some person nominated by him and approved by the Board of Directors registered as a member in respect of such shares.

PROVIDED NEVERTHELESS that if such person shall elect to have his nominee registered, he shall testify his election by executing in favour of his nominee an instrument of transfer in accordance with the provision herein contained, and, until he does so, he shall not be freed from any liability in respect of such shares. This clause is herein referred to as "THE TRANSMISSION CLAUSE

70. A. The provisions of these Articles shall *mutatis mutandis* apply to the transfer or transmission by operation of law, of debentures of the Company.

Directors entitled to refuse to register more than three Joint holders.

71. The Company shall be entitled to decline to register more than three persons as the holders of any share.

DEMATERIALISATION OF SECURITIES

Persons entitled may receive dividend Without being registered as member

72. A person entitled to a share by transmission shall subject to the right of the Directors to retain such dividends or money as hereinafter provided, be entitled to receive and may give a discharge for any dividends or other moneys payable in respect of the share.

Condition of registration of transfer.

73. Prior to the registration of a transfer, the certificate or certificates of the share or shares to be transferred and if no such certificate is in existence the Letter of Allotment of the shares, must be delivered to the Company along with (save as provided in Section 108 of the Act) a properly stamped and executed instrument of transfer, with the date of presentation of the instrument to the proper authorities, duly engrossed thereon.

No fee on transfer or transmission

74. No fee shall be charged for registration of transfer, grant of Probate, Succession Certificate and Letters of Administration, Certificates of Death or Marriage, Power of Attorney or similar other documents.

The Company not liable for disregard of a notice prohibiting registration of a transfer

75. The Company shall incur no liability or responsibility whatsoever in consequence of its registering or giving effect to any transfer of shares made or purporting to be made by any apparent legal owner thereof as shown or appearing in the register of members to the prejudice of persons having or claiming any equitable right, title or interest to or in the said shares, notwithstanding that the Company may have had notice of such equitable right, title or interest or notice prohibiting registration of such transfer, and may have entered such notice, or referred thereto in any book of the Company and the Company shall not be bound or required to regard or attend or give effect to any notice which may be given to it of any equitable right, title or interest, or be under any liability whatsoever for refusing or neglecting so to do, though it may have been entered or referred to in some book of the Company, but the Company shall nevertheless, be at liberty to regard and attend to any such notice, and give effect thereto if the Board of Directors shall so think fit.

Definitions Dematerialisation of Securities

76. (1) For the purpose of this Article:

“Beneficial Owner” means a person who opts to hold his securities with a Depository, and whose name is recorded as such with a Depository;

“SEBI” means the Securities & Exchange Board of India;

“Depositories Act” means the Depositories Act, 1996, including any statutory modifications thereof for the time being in force.

“Depository” means a Company formed and registered under the Companies Act, 1956 and which has been granted a certificate of registration to act as a depository under the Securities & Exchange Board of India Act, 1992; “Participant” means a person registered as such under Section 12A of the Securities and Exchange Board of India Act, 1992.

“Records” includes the records maintained in the form of books or stored in Computer or in such other form as may be determined by regulations made by the SEBI in relation to the Depositories Act.

“Security” means such security as may be specified by SEBI.

Words and expressions used but not defined in the Act but defined in the Depositories Act, shall have the same meanings respectively assigned to them in that Act.

(2) Notwithstanding anything contained in these Articles, the Company shall be entitled to admit securities issued by the Company to any Depository and to offer securities in a dematerialised form in pursuance to the Depositories Act, 1996.

Options For Investors

(3) Every person subscribing to securities offered by the Company, and every Member, Debenture Holder or Debenture Stock Holder shall have the option to either hold the

securities in the form of security certificates or to hold the securities with a Depository. Where any member or Debenture Holder or Debenture Stock Holder surrenders his certificate of securities held in the Company in accordance with Section 6 of the Depositories Act, 1996, and the Securities & Exchange Board of India (Depositories and Participants). Regulations, 1996, the Company shall cancel the certificate and substitute in its records the name of the relevant Depository and inform the Depository accordingly. The Company shall maintain a record of certificates of securities that have been so dematerialised. Such persons who hold their securities with a Depository can at any time opt out of the Depository, if permitted by the law, and the Company shall in such manner and within such time as prescribed by law, issue to such persons the requisite certificates of securities. If a person opts to hold his security with a depository, the Company shall intimate such depository the details of allotment of the security-, and on receipt of the information, the depository shall enter in its record the name of the allottee as the beneficial owner of the security.

Securities in depositories to be in fungible form.

(4) All securities held by a depository shall be dematerialised and shall be in a fun gible form. Nothing contained in Sections 153, 153A, 153B, 187B, 187C and 372A of the Act shall apply to a depository in respect of the securities held by it on behalf of the beneficial owners.

Rights of depositories

(5) (a) Notwithstanding anything to the contrary contained in the Act or these Articles, a depository shall be deemed to be the registered owner for the purpose of effecting transfer of ownership of security on behalf of the beneficial owners.

(b) Save as otherwise provided in (a) above, the depository as the registered owner of the securities shall not have any voting rights or any other rights in respect of the securities held by it.

(c) The beneficial owner of securities shall be entitled to all the rights and benefits and be subject to all the liabilities in respect of his securities which are held by a depository.

Service of documents

(6) Notwithstanding anything in the Act or these Articles to the contrary, where securities are held in a depository, the records of the beneficial ownership may be served by such depository on the Company by means of electronic mode or by delivery of floppies or discs.

Register and Indices of Beneficial Owners.

(7) For the purposes of these Articles, the Registers and Indices of Members and Debenture Holders shall be deemed to include the Registers and Indices of Beneficial Owners maintained under the Depositories Act, 1996, by every Depository in respect of securities issued by the Company.

(8) Every Depository shall furnish to the Company information about the transfer of securities in the name of the Beneficial Owner at such intervals and in such manner as may be specified by the bye-laws and the Company in that behalf.

(9) Except as specifically provided in these Articles, the provisions relating to joint holders of shares, calls, lien on shares, forfeiture of shares and transfer and transmission of shares shall be applicable to shares held in Depository so far as they apply to shares in physical form subject to the provisions of the Depository Act.

(10) Notwithstanding anything in the Act, or these Articles where securities are dealt with by a Depository, the Company shall intimate the details thereof to the Depository immediately on allotment of such securities.

(11) The shares in the capital shall be numbered progressively according to their several denominations provided, however, that the provision relating to progressive numbering shall not apply to the shares of the Company which are dematerialised or may be dematerialised in future or issued in future in dematerialised form. Except in the manner hereinabove mentioned, no share shall be sub-divided. Every forfeited or surrendered share held in material form shall continue to bear the number by which the same was originally distinguished.

COPIES OF MEMORANDUM AND ARTICLES OF ASSOCIATION TO BE SENT TO MEMBERS

Copies of Memorandum and Articles of Association to be send by the Company to members

77. The Company shall subject to the payment of the fee prescribed under Section 39 of the Act or its statutory modification for the time being in force, on being so required by a member, send to him within seven days of the requirement, a copy of each of the following documents as in force for the time being

(a) The Memorandum

(b) The Articles and

(c) Every agreement and every resolution referred to in Section 192 of the Act and in so far they have not been embodied in the Memorandum of the Company or these Articles.

BORROWING POWERS

Power to borrow

78. Subject to the provisions of Sections 292 and 293 of the Act and of these Articles, the Board of Directors may, from time to time at its discretion, by a resolution passed at a meeting of the Board, accept deposits from members either in advance of calls or otherwise and generally raise or borrow or secure the payment of any sum or sums of money for the purpose of the Company from any source.

PROVIDED HOWEVER, where the moneys to be borrowed together with the moneys already borrowed (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) exceed the aggregate of the paid-up capital of the Company and its free reserves (not being reserves set apart for any specific purpose) the Board of Directors shall not borrow such money without the sanction of the Company in general meeting. No debt incurred by the Company in the excess of the limit imposed by this Article shall be valid or effectual unless the lender proves that he advanced the loan in good faith and without knowledge that the limit imposed by this Article had been exceeded.

The payment or repayment of moneys borrowed

79. The payment or repayment of moneys borrowed as aforesaid may be secured in such manner and upon such terms and conditions in all respects as the Board of Directors may think fit, and in particular in pursuance of a resolution passed at a meeting of the Board (and not by Circular Resolution) by the issue o f debentures or debenture stock of the Company, charged upon all or any part of the property of the Company, (both present and future), including its uncalled capital for the time being, and the debentures and the debenture stock and other securities may be made assignable free from any equities between the company and the person to whom the same may be issued.

Terms of Issue of debentures

80. Any debentures, debenture stock or other securities may be issued at a discount, premium or otherwise and may be issued on condition that they shall be convertible into shares of any denomination, and with any privileges and conditions as to redemption, surrender, drawing allotment of shares attending (but not voting) at general meetings, appointment of Directors and otherwise. Debentures with the right to conversion into or allotment of shares shall be issued only with the consent of the Company in general meeting.

Mortgage of Uncalled Capital

81. If any uncalled capital of the Company is included in or charged by any Mortgage or other security, the Directors may, subject to the provisions of the Act and these Articles make calls on the members in respect of such uncalled capital in trust for the person in whose favour such mortgage or security is executed.

Register of Charges etc. to be kept

82. The Board of Directors shall cause a proper Register to be kept in accordance with the provisions of Section 143 of the Act of all Mortgages, debentures, and charges specifically affecting the property of the Company, and shall cause the requirements of Sections 118, 125 and Sections 127 to 144 (both inclusive of the Act) in that behalf to be duly complied with, so far as they fail to be complied with by the Company The Company shall comply with the provisions of Section 135 of the Act as regards modification of a charge and its registration with the Registrar.

Register and index of debentureholders

The Company shall, if at any time it issues debentures, keep a Register and Index of Debenture Holders in accordance with Section 152 of the Act. The Company shall have the power to keep in any State or Country, outside India, a branch Register of Debenture-holders resident in that State or Country.

SHARE WARRANTS

Power to issue share warrants 83. The Company may issue share warrants subject to, and in accordance with the provisions of Sections 114 and 115, and accordingly the Board may in its discretion, with respect to any share which is fully paid upon application in writing signed by the persons registered as holder of the share, and authenticated by such evidence (if any) as the Board may, from time to time, require as to the identity of the person signing the application, and on receiving the certificate (if any) of the share, and the amount of the stamp duty on the warrant and such fee as the Board may from time to time require, issue a share warrant.

Deposit of Share warrant 84. (1) The bearer of a share warrant may at any time deposit the warrant at the office of the Company, and so long as the warrant remains so deposited, the depositor shall have the same right of signing a requisition for calling a meeting of the Company, and of attending and voting and exercising the other privileges of the member at any meeting held after the expiry of two clear days from the time of deposit, as if his name were inserted in the Register of Members as the holder of the share included in the deposited warrant.

(2) Not more than one person shall be recognised as depositor of the Share Warrant.

(3) The Company shall, on two days' written notice, return the deposited share warrant to depositor.

Privilege and disabilities of the holders of share warrant 85. (1) Subject as herein otherwise expressly provided, no person shall, as bearer of a share warrant, sign a requisition for calling a meeting of the Company, or attend, or vote or exercise any other privileges of a member at a meeting of the Company, or be entitled to receive any notice from the Company.

(2) The bearer of a share warrant shall he entitled in all other respects to the same privileges and advantages as if he were named in the Register of Members as the holder of the share included in the warrant, and he shall be a member of the Company.

Issue of new share warrant or coupon. 86. The Board may, from time to time, make bye-laws as to the terms on which (if it shall think fit) a new share warrant or coupon may be issued by way of renewal in case of defacement, loss or destruction.

CONVERSION OF SHARES INTO STOCK AND RECONVERSION

Share may be converted into stock. 87. The Company may, by Ordinary Resolution :

(a) Convert any paid up shares into stock, and

(b) Reconvert any stock into paid-up shares of any denomination.

Transfer of stock. 88. The several holders of such stock may transfer their respective interest therein or any part thereof in the same manner and subject to the same regulations under which the shares from which the stock arose might before the conversion have been transferred, or as near thereto as circumstances admit.

PROVIDED that the Board may, from time to time, fix the minimum amount of stock transferable, so however, that such minimum shall not exceed the nominal amount of the shares from which the stock arose.

Rights of stock holders 89. The holders of stock shall, according to the amount of stock held by them, have the same right, privileges and advantages as regards dividends, voting at meeting of the Company, and other matters, as if they held the shares from which the stock arose; but no such privilege or advantage (except participation in the dividends and profits of the Company and in the assets on winding up) shall be conferred by an amount of stock which would not, if existing in shares, have conferred those privileges or advantages.

Regulations applicable to stock and share warrants 90. Such of the regulations of the Company as are applicable to paid up shares shall apply to stock and the words 'Share' and 'Share-holder' in these regulations shall include 'stock' and 'stock-holder' respectively.

MEETINGS OF MEMBERS

Annual General Meeting 91. (1) The Company shall in each year hold, in addition to any other meetings, a general meeting as its Annual General Meeting in accordance with the provisions of Sections

166 and 210 of the Act and shall specify the meeting as such in the notice calling it, except in the case where the Registrar has given an extension of time for holding any annual general meeting and not more than fifteen months shall elapse between the date of one annual general meeting of the Company and that of the next.

PROVIDED THAT if the Registrar shall have for special reason, extended the time within which any annual general meeting shall be held, such annual general meeting may be held within the additional time.

(2) Every annual general meeting shall be called for any time during business hours, on a day that is not a public holiday and shall he held either at the registered office of the Company or at some other place within the city or town or village in which the registered office of the Company is situate for the time being.

(3) Every member of the Company shall be entitled to attend either in person or by proxy and the Auditor of the Company shall have the right to attend and to be heard at any general meeting which he attends on any part of the business which concerns him as auditor.

Report statements and Registers to be laid before the annual general meeting.

92. At every annual general meeting of the Company there shall be laid on the table the Directors' Report and Audited Statement of Accounts, Auditors' Report (if not already incorporated in the Audited Statement of Accounts), the proxy register with proxies, and the Register of Directors' Shareholdings.

Extra-ordinary general meeting

93. All general meetings other than annual general meeting shall be called Extra Ordinary General Meeting.

Annual Return

94. (1) The Company shall comply with the provisions of Section 159 of the Act regarding the filing of Annual Return and the provisions of Section 161 of the Act as regards the annual return and certificates to be annexed thereto.

Place of keeping and inspection of registers and Returns

(2) The Register of Members, Index of Members, the Register and Index of Debenture holders and copies of all Annual Returns prepared under Sections 159 and 161 of the Act together with the copies of certificates and documents required to be annexed thereto under Sections 159 and 161 of the Act shall be kept at the registered office of the Company.

PROVIDED THAT such registers, indexes, returns and copies of certificates and documents of any one or more of them may instead of being kept at the registered office of the Company, be kept at any other place within the city or town in which the registered office of the Company is situate for the time being if :-

(i) such other place has been approved for this purpose by a Special Resolution passed by the Company in general meeting and;

(ii) the Registrar has been given in advance a copy of the proposed Special Resolution.

Inspection

(3) (a) The Registers, indexes, returns and copies of certificates and other documents referred to in sub-clause (2) hereof shall, except when the Register of members or debenture holders is closed under the provisions of the Act, be open during the business hours (subject to such reasonable restriction as the Company may impose so that not less than two hours in each day are allowed for inspection) for inspection (i) of any member or debenture holder without fee and (ii) of any other person on payment of fee of one rupee for each inspection.

(b) Any such member, debenture holder or other person may take abstract from the said document or require copy thereof in accordance with Section 163 of the Act.

(4) The Company shall cause any copy required by any persons under clause (b) of sub-clause (3) to be sent to that person within a period of ten days exclusive of non-working days, commencing on the day next after the day on which the requirement is received by the Company.

Circulation of Members Resolution

95. (1) Subject to the provisions of Section 188 of the Act, the Directors shall on the requisition in writing of such number of members as is hereinafter specified and (unless the annual general meeting otherwise resolved) at the expense of requisitionists:-

(2) Give to the members of the Company entitled to receive a notice of the next annual general meeting notice of any resolution which may properly be moved and is intended to be moved at that meeting.

(3) Circulate to members entitled to have notice of any general meeting sent to them, any statement of not more than one thousand words with respect to the matter referred to in any proposed resolution or the business to be dealt with at that meeting,

(4) The number of members necessary for a requisition under clause (1) hereof shall be:

(a) such member or members as represent not less than one- twentieth of the total voting power of all the members having at the date of the requisition a right to vote on the resolution or business to which the requisition relates; or

(b) not less than one hundred members having the right aforesaid and holding shares in the Company on which there has been paid up an aggregate sum of not less than rupees one lakh in all.

(5) Notice of any such resolution shall be given and any such statement shall be circulated to members of the Company entitled to have notice of the meeting sent to them by serving a copy of the resolution or statement on each member in any manner permitted by the Act for service of notice of the meeting and notice of any such resolution shall be given to any other member of the Company by giving notice of the general effect of the resolution in any manner permitted by the Act for giving him notice of meeting of the Company. The copy of the resolution shall be served or notice of the effect of the resolution shall be given as the case may be in the same manner, and so far as practicable at the same time as notice of the meeting, and where it is not practicable for it to be served or given at that time, it shall be served or given as soon as practicable thereafter.

(6) The Company shall not be bound under this Article to give notice of any resolution or to circulate any statement unless,

(a) a copy of the requisition signed by the requisitionists (or two or more copies which between them contain the signature of all the requisitionists) is deposited at the registered office of the Company .

(i) in the case of a requisition requiring notice of resolution not less than six weeks before the meeting, and

(ii) in the case of any other requisition not less than two weeks before the meeting, and

(b) there is deposited or tendered with the requisition a sum reasonably sufficient to meet the Company's expenses in giving effect thereto.

PROVIDED that if after a copy of the requisition requiring notice of a resolution has been deposited at the registered office of the Company, and an annual general meeting is called for a date six weeks or less after such copy has been deposited the copy although not deposited within the time required by this clause, shall be deemed to have been properly deposited for the purpose thereof.

(7) The Company shall not also be bound under this Article to circulate any statement if, on the application either of the Company or of any other person who claims to be aggrieved, the Court is satisfied that the rights conferred by this clause are being abused to secure needless publicity for defamatory matter.

(8) Notwithstanding anything in these Articles contained, the business which may be dealt with at an annual general meeting shall include a resolution of which notice is given in accordance with this Article and for the purpose of this clause notice shall be deemed to have been so given notwithstanding the accidental omission in giving it to one or more members.

Extra-ordinary General Meeting by board and by requisition

96. The Directors may, whenever they think fit convene an extra-ordinary general meeting and they shall on requisition of the members as hereinafter provided, forthwith proceed to convene extra-ordinary general meeting of the Company.

Contents of requisition and number of requisitionists required and the conduct of meeting.

97. In case of requisition the following provisions shall have effect

(1) The requisition shall set out the matters for the consideration of which the meeting is to be called shall be signed by the requisitionists and shall be deposited at the registered office of the Company.

(2) The requisition may consist of several documents in like form, each signed by one or more requisitionists.

(3) The number of members entitled to requisition a meeting in regard to any matter shall be such number as hold at the date of the deposit of the requisition, not less than one-tenth of such of the paid-up capital of the Company as at that date carries the right of voting in regard to that matter.

(4) Where two or more distinct matters are specified in the requisition, the provisions of sub-clause (3) shall apply separately in regard to such matter and the requisition shall accordingly be valid only in respect of those matters in regard to which the conditions specified in that clause are fulfilled.

(5) If the Board does not, within twenty-one days from the date of the deposit of a valid requisition in regard to any matters proceed duly to call a meeting for the consideration of those matters on a day not later than forty-five days from the date of the deposit of the requisition, the meeting may be called –

(a) by the requisitionists themselves, or

(b) by such of the requisitionists as represent either a majority in value of the paid share capital held by all of them or not less than one-tenth of the paid-up share capital of the Company as is referred to in sub-clause (3) whichever is less PROVIDED that for the purpose of this sub-clause the Board shall, in the case of a meeting at which a resolution is to be proposed as a special resolution be deemed not to have duly convened the meeting if they do not give such notice thereof as is required by sub-section (2) of section 189 of the Act

(6) A meeting called under clause (5) by requisitionists or any of them-

(a) shall be called in the same manner as nearly possible, as that in which meetings are to be called by the Board, but

(b) shall not be held after the expiration of three months from the date of deposit of the requisition. PROVIDED that nothing in sub-clause (b)shall prevent a meeting duly commenced before the expiry of the period of three months aforesaid, from adjourning to some day after the expiry of that period.

(7) Where two or more persons hold any shares in the Company jointly, a requisition or a notice calling a meeting by one or some only of them shall, for the purposes of this Article, have the same force and effect as if it had been signed by all of them.

(8) Any reasonable expenses incurred by the requisitionists by reason of the failure of the Board duly to call a meeting shall be repaid to the requisitionists by the Company, and any sums so repaid shall be retained by the Company out of any sums due or to become due from the Company by way of fees or other remuneration for their services to such of the Directors as were in default.

Length of notice of Meeting.

98. (1) A general meeting of the Company may be called by giving not less than twenty-one days notice in writing.

(2) A general meeting may be called after giving shorter notice than that specified in clause (1) hereof if consent is accorded thereto

(i) in the case of an annual general meeting by all the members entitled to vote thereat; and

(ii) in the case of any other meeting, by members of the Company holding not less than ninety-five per cent of such part of the paid up share capital of the Company as gives a right to vote at the meeting.

PROVIDED that where any members of the Company are entitled to vote only on some resolution or resolutions to be moved at a meeting and not on the others, those members shall be taken into account for the purposes of this clause in respect of the former resolutions and not in respect of the latter.

Contents and manner of service of notice

99. (1) Every notice of a meeting of the Company shall specify the place and the day and hour of the meeting and shall contain a statement of the business to be transacted thereat.

(2) Subject to the provisions of the Act, notice of every general meeting shall be given :

(a) to every member of the Company in the manner authorised by sub-sections (1) to (4) of Section 53 of the Act,

(b) to the persons entitled to a share in consequence of the death, or insolvency of a member, by sending it through the post in a prepaid letter addressed to them by name, or by the title of representatives of the deceased or assignee of the insolvent, or by like description, at the address, if any, in India supplied for the purpose by the persons claiming to be so entitled, or until such an address, if any, in India supplied for the purpose by the persons claiming to be so entitled, or until such an address has been so supplied by giving the notice in any manner in which it might have been given if the death or insolvency had not occurred; and

(c) to the Auditors or Auditor for the time being of the Company, in any manner authorised by Section 53 of the Act in the case of any member of the Company.

PROVIDED that where the notice of a meeting is given by advertising the same in a newspaper circulating in the neighbourhood of the Registered Office of the Company under sub-section (3) of Section 53 of the Act, the statement of material facts referred to in Section 173 of the Act need not be annexed to the notice as required by the Section, but it shall be mentioned in the advertisement that the statement has been forwarded to the members of the Company.

(3) Every notice convening a meeting of the Company shall state that a member entitled to attend and vote at the meeting is entitled to appoint a proxy to vote and attend instead of himself and that a proxy need not be a member of the Company.

Special and Ordinary business and explanatory statement

100. (1) (a) In the case of an annual general meeting, all business to be transacted at the meeting, shall be deemed special with the exception of business, relating to :

(i) The consideration of the accounts, balance sheet and reports of the Board of Directors and Auditors;

(ii) The declaration of dividend;

(iii) The appointment of Directors in the place of those retiring; and

(iv) The appointment of, and the fixing of the remuneration of the auditors.

(b) In the case of any other meeting, all business shall be deemed special.

(2) Where any item of business to be transacted at the meeting of the Company are deemed to be special as aforesaid, there shall be annexed to the notice of the meeting a statement setting out all material facts concerning each such item of business including in particular the nature of the concern or interest, if any therein of every Director.

PROVIDED that where any item of special business at the meeting of the Company relates to or affects any other Company, the extent of shareholding interest in that other company of every Director shall be set out in the statement, if the extent of such shareholding interest is not less than 20 per cent of the paid up share capital of that other company.

(3) Where any item of business consists of the according of approval to any document by the meeting, the time and place where the document can be inspected shall be specified in the statement aforesaid.

Omission to give notice not to invalidate a resolution passed

101. The accidental omission to give any such notice as aforesaid to or the non-receipt thereof by any member or other person to whom it should be given, shall not invalidate the proceedings of any such meeting.

Notice of business to be given

102. No general meeting, annual or extraordinary, shall be competent to enter upon, discuss or transact any business which has not been mentioned in the notice or notices convening the meeting.

Quorum

103. Five members entitled to vote and present in person shall be quorum for general meeting and no business shall be transacted at the general meeting unless the quorum requisite be present at the commencement of the meeting. A body corporate being a member shall be deemed to be personally present if it is represented in accordance with Section 187 of the Act. President of India or the Governor of a State being a member of the Company shall be deemed to be personally present if he is represented in accordance with Section 187A of the Act.

Presence of quorum

104. If within half an hour from the time appointed for holding a meeting of the Company a quorum is not present the meeting if called by or upon the requisition of members shall stand dissolved and in any other case the meeting shall stand adjourned to the same day in the next week or if that day is a public holiday until the next succeeding day which is not a public holiday at the same time and place or to such other day and at such other time and place as the Board may determine. If at the adjourned meeting also a quorum is not present within half an hour from the time appointed for holding the meeting the members present shall be a quorum and may transact the business for which the meeting was called.

Resolution passed at adjourned meeting

105. Where a resolution is passed at an adjourned meeting of the Company, the resolution shall for all purposes be treated as having been passed on the date on which it was in fact passed and shall not be deemed to have been passed on any earlier date.

Chairman of general meeting

106. The Chairman of the Board of Directors shall be entitled to take the chair at every general meeting, or if there be no such Chairman, or if at any meeting he shall not be present within fifteen minutes after the time appointed for holding such meeting, or shall decline to take the chair, the Vice-Chairman if any, shall be entitled to take the Chair. If the Vice-Chairman is also not present or is unwilling to take the chair, the Directors present shall elect one of them as Chairman and if no Director be present or if the Directors present decline to take the Chair, then the members present shall elect one of their numbers to be a Chairman. If a poll is demanded on the election of the Chairman it shall be taken forthwith in accordance with the provisions of the Act and the Chairman elected on show of hands shall exercise all the powers of the Chairman under the said provisions. If some other person is elected as a result of the poll he shall be the Chairman for the rest of the meeting.

Business confined to election of Chairman whilst Chair vacant

107. No business shall be discussed at any general meeting except the election of a Chairman whilst the Chair is vacant.

Chairman may adjourn meeting.

108. (1) The Chairman may, with the consent of any meeting at which a quorum is present and shall, if so directed by the meeting, adjourn the meeting from time to time and from place to place.

(2) No business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.

(3) When a meeting is adjourned for thirty days or more, notice of the adjourned meeting shall be given as in the case of an original meeting.

(4) Save as aforesaid, it shall not be necessary to give any notice of an adjournment of or the business to be transacted at any adjourned meeting.

Voting to be by show of hands in the first instance

109. At any general meeting, a resolution put to the vote of the meeting unless a poll ‘is demanded under Article 114 be decided on a show of hands.

Chairman's declaration of result of voting on show of hands

110. A declaration by the Chairman that in pursuance of Article 112, on a show of hands, a resolution has or has not been carried either unanimously or by a particular majority, and an entry to that effect in the books containing the minutes of the proceeding of the Company shall be conclusive evidence of the fact, without proof of the number of proportion of votes in favour or against such resolution.

Demand for poll	111.	(1) Before or on the declaration of the result of the voting on any resolution on a show of hands, a poll may be ordered to be taken by the Chairman of the meeting of his own motion and shall be ordered to be taken by him on a demand made in that behalf by any member or members present in person or by proxy and holding shares in the Company which confer a power to vote on the resolution not being less than one-tenth of the total voting power in respect of the resolution, or on which an aggregate sum of not less than fifty thousand rupees has been paid up. (2) The demand for a poll may be withdrawn at any time by the person or persons who made the demand.
Time of taking poll	112.	A poll demanded on any question of adjournment shall be taken forthwith. A poll demanded on any other question (not being relating to the election of a Chairman which is provided for in Article 110 shall be taken at such time not being later than forty-eight hours from the time when the demand was made and in such manner and place as the Chairman of the meeting may direct.
Chairman's casting vote	113.	In the case of an equality of votes the Chairman shall both on a show of hands and a poll (if any) have a casting vote in addition to the vote or votes to which he may be entitled as a member.
Scrutineers at poll	114.	Where a poll is to be taken, the Chairman of the meeting shall appoint two scrutineers to scrutinise the vote given on the poll and to report thereon to him. One of the scrutineers so appointed shall always be a member (not being an officer or employee of the Company) present at the meeting, provided such a member is available and willing to be appointed. The Chairman shall have power at any time before the result of the poll is declared to remove a scrutineer from office and fill vacancies in the office of the scrutineer arising from such removal or from any other cause.
Demand for poll not to prevent transaction of other business	115.	The demand for a poll except on the question of the election of the Chairman and of an adjournment shall not prevent the continuance of a meeting for the transaction of any business other than the question on which the poll has been demanded.
Special Notes	116.	Where by any provision contained in the Act or in these Articles special notice is required for any resolution, notice of the intention to move the resolution shall be given to the Company not less than fourteen days before the meeting at which it is to be moved exclusive of the day on which the notice is served or deemed to be served and the day of the meeting. The Company shall immediately after the notice of the intention to move any such resolution has been received by it give its members notice of the resolution in the same manner as it gives notice of the meeting, or if that is not practicable, shall give them notice thereof either by advertisement in a newspaper having an appropriate circulation or in any other mode allowed by these presents not less than seven days before the meeting.
Resolutions requiring special notice	117.	The following resolution shall require special notice :- (1) Resolution under Section 225 of the Act at an annual general meeting appointing as Auditor a person other than a retiring Auditor or providing expressly that a retiring Auditor shall not be re-appointed. (2) Resolution under Section 284 of the Act removing a Director before the expiry of his period of office. (3) Resolution under Section 284 of the Act appointing a Director in place of the Director so removed.
Registration of documents with the Registrar	118.	A copy of each of the following resolution (together with copy of the statement of material facts annexed under Section 173 of the Act to the notice of the meeting in which such resolution has been passed) or agreement shall within thirty days after the passing or making thereof be printed or typewritten and duly certified under the signature of officer of the Company and filed with the Registrar : (a) Every special resolution. (b) Every resolution which has been agreed to by all members of the Company, but which, if not so agreed to would not have been effective for the purpose unless it had been passed as a special resolution.

(c) Every resolution of the Board of Directors or agreement executed by the Company relating to the appointment, re-appointment or renewal of appointment or variation in the terms of appointment of a managing director.

(d) Every resolution or agreement which has been agreed to by all the members of any class of shareholders but which if not so agreed to, would not have been effective for the purpose unless it had been passed by some particular majority required by the Act or by these Articles and every resolution or agreement which effectively binds all the members or any class of shareholders though not agreed to by all of them.

(e) Every resolution passed by the Company,

(i) According consent to the exercise by the Board of Directors of any of the powers under clause (a), (d) and (e) of sub-section (1) of Section 293 of the Act;

(ii) Approving the appointment of sole selling agents under Section 294 of the Act and;

(f) A resolution for voluntary winding up of the Company.

A copy of every such resolution or agreement for the time being in force shall also be embodied in or annexed to, every copy of these Articles issued after the passing of the resolution or the making of the agreement.

VOTES OF MEMBERS

Members paying money in advance not to be entitled to vote in respect thereof

119. A member paying the whole or a part of the amount remaining unpaid on to any shares held by him although no part of that amount has been called up, shall not be entitled to any voting rights in respect of the moneys so paid by him until the same would but for such payment become presently payable.

Restriction on exercise of voting rights of members who have not paid calls

120. No member shall exercise any voting rights in respect of any shares registered in his name on which any calls or other sums presently payable by him have not been paid or in regard to which the Company has exercised any right of lien.

Number of votes to which member entitled

121. Subject to the provisions of Articles 121 and 122 every member of the Company holding any equity share capital and otherwise entitled to vote shall, on a show of hands when present in person (or being a body corporate present by a representative duly authorised) have one vote and on *a* poll, when present in person (including a bidy corporate by a duly authorised representative) or by an agent duly authorised under a Power of Attorney or by proxy, his voting right shall be in proportion to his share of the paid-up equity share capital of the Company. Provided however, if any Preference shareholder be present at any meeting of the Company, save as provided in clause (b) of sub-section (2) of Section 87, he shall have a right to vote only on resolutions before the meeting which directly affect the rights attached to his preference shares. A member is not prohibited from exercising his voting rights on the ground that lie has not held his shares or interest in the Company for any specified period preceding the date on which the vote is taken.

Vote of members of unsound mind

122. A member of unsound mind or in respect of whom order has been made by any Court having jurisdiction in lunacy, may vote whether on a show of hands or on a poll by his committee or other legal guardian and any such committee or guardian may on a poll vote by proxy.

Vote of joint members

123. If there be joint registered holders of any shares any one of such persons may vote at any meeting personally or by an agent duly authorised under a power of attorney or by proxy in respect of such shares, as if he were solely entitled thereto but the proxy so appointed shall not have any right to speak at the meeting, and if more than one of such joint holders be present at any meeting either personally or by agent or by proxy, that one of the said person so present who stands higher on the Register shall alone be entitled to speak and to vote in respect of such shares, but the other or others of the joint holder shall be entitled to be present at the meeting; provided always that a person present at any meeting personally shall be entitled to vote in preference to a person present by an agent duly authorised under a power of attorney or by proxy although the name of such person present by agent or proxy stands first or higher in the Register in respect of such shares. Several executors or administrators of a deceased member in whose name shares stand shall for the purpose of these Articles be deemed joint holders thereof.

Representation of body corporate.	124.	(1) A body corporate (whether a company within the meaning of the Act or not) may, if it is member or creditor of the Company (including a holder of debentures), authorise such person as it thinks fit by a resolution of its Board of Directors or other Governing Body to act as its representative at any meeting of the creditors of the Company or debenture holders of the Company. A person authorised by resolution as aforesaid shall be entitled to exercise the same rights and power (including the right to vote by proxy) on behalf of the body corporate which he represents as that body could exercise if it were an individual member, creditor or holder of debentures of the Company. (2) Where the President of India or the Governor of a State is a member of the Company, the President or, as the case may be, the Governor may appoint such person as he thinks fit to act as his representative at any meeting of the Company or at any meeting of any class of members of the Company and such a person shall be deemed to be a member of the Company and shall be entitled to exercise the same rights and powers, including the right to vote by proxy, as the President, or as the case may be, the Governor could exercise as a member of the Company.
Votes in respect of deceased or insolvent members	125.	Any person entitled under the Transmission Clause to transfer any shares may vote at any general meeting in respect thereof in the same manner as if he was the registered holder of such shares, provided that at least forty eight hours before the time of holding the meeting or adjourned meeting, as the case may be, at which he proposes to vote he shall satisfy the Directors of his rights to transfer such shares and give such indemnity (if any) as the Directors may require unless the Directors shall have previously admitted his right to vote at such meeting in respect thereof.
Voting in person or by proxy	126.	Subject to the provisions of these Articles vote may be given either personally or by proxy.
Right of member to use his votes differently	127.	On a poll taken at a meeting of the Company a member entitled to more than one vote or his proxy, or other person entitled to vote for him, as the case may be, need not, if he votes, use all his votes or cast in the same way all the votes he uses.
Proxies	128.	Any member of the Company entitled to attend and vote at a meeting of the Company shall be entitled to appoint another person (whether a member or not) as his proxy to attend and vote instead of himself. PROVIDED ALWAYS that a proxy so appointed shall not have any right whatever to speak at the meeting. Every notice convening a meeting of the Company shall state that a member entitled to attend and vote is entitled to appoint one or more proxies.
Proxy either for specified meeting or for a period.	129.	An instrument of proxy may appoint a proxy either for the purposes of a particular meeting specified in the instrument and any adjournment thereof or it may appoint for the purposes of every meeting to be held before a date specified in the instrument and every adjournment of any such meeting.
No proxy except for a Corporation to vote on a show of hands	130.	No member present only by proxy shall be entitled to vote on a show of hands.
Deposit of instrument of appointment	131.	The instrument appointing a proxy and the power of attorney or other authority (if any) under which it is signed or a notarially certified copy of that Power of Attorney or authority, shall be deposited at the office forty-eight hours before the time for holding the meetings at which the person named in the instrument proposes to vote, and in default the instrument of proxy shall not be treated as valid. No instrument appointing a proxy shall be valid after the expiration of twelve months from the date of its execution.
Form of Proxy	132.	Every instrument of proxy whether for specified meeting or otherwise shall, as nearly as circumstances will admit, be in any of the forms set out in Schedule IX to the Act, and signed by the appointer or his attorney duly authorised in writing or, if the appointer is a body corporate be under its seal or be signed by any officer or attorney duly authorised by it.
Inspection of proxies	133.	Every member entitled to vote at a meeting of the Company according to the provisions of these Articles on any resolution to be moved thereat shall be entitled during the period

beginning twenty-four hours before the time fixed for the commencement of the meeting and ending with the conclusion of the meeting to inspect proxies lodged, at any time during the business hours of the Company provided not less than three days' notice in writing of the intention so to inspect it given to the Company.

Validity of votes given by proxy notwithstanding revocation of authority

134. A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the previous death or insanity of the principal, or revocation of the proxy or of any power of attorney or authority under which such proxy was signed, or the transfer of the share in respect of which the vote is given, provided that no intimation in writing of the death, insanity, revocation or transfer shall have been received at the Office before the commencement of the meeting, or adjourned meeting at which the proxy is used.

Time for objections to vote

135. No objection shall be made to the qualification of any voter or to the validity of a vote except at the meeting or adjourned meeting at which the vote objected to is given or tendered, and every vote, whether given personally or by proxy, not disallowed at such meeting shall be valid for all purposes. Any such objection made in due time shall be referred to the Chairman of the meeting.

Chairman of any meeting to be the judge of validity of any vote

136. The Chairman of any meeting shall be the sole judge of every vote tendered at such meeting. The Chairman present at the taking of a poll shall be the sole judge of the validity of every vote tendered at such poll.

Custody of instrument

137. If any such instrument of appointment be confined to the object of appointing an attorney or proxy for voting at meetings of the Company it shall remain permanently or for such time as the Directors may determine, in the custody of the Company. If embracing other objects copy thereof examined with the original shall be delivered to the Company to remain in the custody of the Company.

DIRECTORS

Number of Directors

138. Until otherwise determined by a general meeting of the Company and subject to the provisions of Section 252 of the Act the number of Directors (excluding Debenture Directors, Permanent Directors, Special Directors and Corporation Directors, if any) shall be not less than 3 and not more than 12.

Directors

139. The following persons are the present Directors of the Company :

1. Mr. Rajesh Anirudha Patil
2. Mr. Milind Digambar Kolte

Debenture Directors

140. Any Trust Deed for securing debentures or debenture stocks, may, if so arranged provide for the appointment, from time to time by the Trustees thereof or by the holders of debentures or debenture stocks, of some person to be a Director of the Company and may empower such Trustees or holder of debentures or debenture stocks, from time to time, to remove and re-appoint any Director so appointed. The Director appointed under this Article is herein referred to as "Debenture Director" which means the Director for the time being in office under this Article. The Debenture Director shall not be liable to retire by rotation or be removed by the Company. The Trust Deed may contain such ancillary provision as may be arranged between the Company and the Trustees and all such provision shall have effect notwithstanding any of the other provisions herein contained.

Corporation Director

141. Any bond or any other writing giving security issued or executed by the Company in favour of any credit corporation or any agreement executed by the Company in favour of a credit corporation may provide for the appointment of a Director (in these presents referred to as "The Corporation Director") for and on behalf of the holder of such bonds or such credit for such period as therein provided for not exceeding the period for which any amount may be outstanding under such bond or writing or agreement and for removal from office of such Director, and on a casual vacancy being caused whether by resignation, death, removal or otherwise, for the appointment of another Director in the vacant place. The Corporation Director shall not be liable to retire by rotation and subject to the provision of the Act be removed from his office by the Company.

Special Directors	142.	In connection with any collaboration arrangement with any company or corporation or any firm or person for supply of technical know-how and/or machinery or technical advice the Directors may authorise such company, corporation, firm or person hereinafter in this clause referred to as "Collaborator" to appoint from time to time any person as a Director of the Company (hereinafter referred to as "Special Directors") and may agree that such Special Director shall not be liable to retire by rotation so however that such Special Director shall hold office so long as such collaboration arrangement remains in force, unless otherwise agreed between the Company and such collaborator under the collaboration arrangements or at any time thereafter . The Collaborator may at any time and from time to time remove such Special Director appointed by it and may at any time after such removal and also in the case of death or resignation of the person so appointed, at any time appoint any other person as a Special Director in his place and such appointment or removal shall be made in writing signed by such company or corporation or any partner or such person and shall be delivered to the Company at its registered office. It is clarified that every collaborator entitled to appoint a Director under this Article may appoint one such person as a Director and so that if more than one collaborator is so entitled there may be at any time as many Special Directors as the Collaborators eligible to make the appointment.
Limit on number of retiring Directors	143.	The provisions of Articles 142, 143, 144 and 145 are subject to the provisions of Section 256 of the Act and the number of such Directors appointed under Articles 143, 144 and 145 shall not exceed in the aggregate one-third of the total number of Directors for the time being in office.
Appointment of Alternate Director	144.	The Board may appoint an Alternate Director to act for a Director, hereinafter called the Original Director for a period of not less than three months from the State of Maharashtra during his absence. Every such Alternate Director, shall subject to his giving to the Company an address in India at which notice may be served on him, be entitled to notice of meeting of Directors and attend and vote as a Director and be counted for the purposes of a quorum and generally at such meetings to have and exercise all the powers and duties and authorities of the original Director. The Alternate Director appointed under this Article shall vacate office as and when original Director returns to the State of Maharashtra. If the term of office of the original Director is determined before he returns to the State of Maharashtra, any provision in the Act or in these Articles for the automatic re-appointment of retiring Director in Default of another appointment shall apply to the original Director and not the Alternate Director.
Directors may fill vacancies	145.	The Directors shall have power at any time and from time to time to appoint any qualified person to be a Director to fill a casual vacancy. The Board of Directors shall fill such casual vacancy at a meeting of the Board. Any person so appointed shall retain his office only up to the date up to which the Director in whose place he is appointed would have held office, if it had not been vacated as aforesaid but he shall then be eligible for re-election.
Additional Directors	146.	The Directors shall also have power at any time and from time to time to appoint any other qualified person to be a Director as an addition to the Board but so that the total number of Directors shall not at any time exceed the maximum fixed. Any person so appointed as an addition to the Board shall retain his office only up to the date of the next annual general meeting but shall be eligible for election at such meeting.
Qualification of Directors	147.	A Director shall not be required to hold any qualification shares.
Remuneration of Directors	148.	The remuneration of Director for his service shall be such sum as may be fixed by the Board of Directors from time to time within the limits prescribed by the Central Government under the Act for such meeting of the Board or a Committee thereof attended by him. The Directors subject to the sanction of the Central Government (if any required) may be paid such further remuneration as the Company in general meeting shall, from time to time, determine and such further remuneration shall be divided among the Directors in such proportion and manner as the Board may from time to time determine, and in default of such determination shall be divided among the Directors equally.

Extra remuneration to Directors for special work

149. Subject to the provisions of Section 198, 309, 310,311 and 314 of the Act, if any Director, being willing shall be called upon to perform extra services (which expression shall include work done by a Director as a member of any committee formed by the Directors or in relation to signing share certificates) or to make special exertions in going or residing out of his usual place of residence or otherwise for any of the purposes of the Company, the Company shall remunerate the Director so doing either by a fixed sum or otherwise as may be determined by the Directors, and such remuneration may be, either in addition to or in substitution for his share in the remuneration above provided.

Travelling expenses incurred by Directors on Company's business

150. The Board of Directors may subject to the limitations provided by the Act allow and pay to any Director who attends a meeting at a place other than his usual place of residence for the purpose of attending a meeting, such sum as the Board may consider fair compensation for travelling, hotel and other incidental expenses properly incurred by him, in addition to his fee for attending such meeting as above specified.

Directors may act not with standing vacancy

151. The continuing Directors may act notwithstanding any vacancy in their body, but if and as long as their number is reduced below the quorum fixed by these Articles for a meeting of the Board of Directors, the Continuing Directors may act for the purpose of increasing the number of Directors to that fixed for the quorum or for summoning general meeting of the Company, but for no other purpose.

Disqualification of Directors

152. A person shall not be capable of being appointed Director of the Company, if

(a) he has been found to be of unsound mind by a court of competent jurisdiction and the finding is in force;

(b) he is an undischarged insolvent;

(c) he has applied to be adjudged an insolvent and his application is pending;

(d) he has been convicted by a court of any offence involving moral turpitude and sentenced in respect thereof to imprisonment for not less than six months and a period of five years has not elapsed from the date of expiry of the sentence;

(e) he has not paid any call in respect of shares of the Company held by him whether alone or joint with others and six months have elapsed from the last day fixed for the payment of the call; or

(f) an order disqualifying him for appointment as Director has been passed by a Court in pursuance of Section 203 of the Act and is in force; unless the leave of the Court has been obtained for his appointment in pursuance of that section.

Vacation of office by Director.

153. (1) The office of a Director shall become vacant if

(a) he is found to be of unsound mind by a Court of competent jurisdiction; or

(b) he applies to be adjudged an insolvent; or

(c) he is adjudged an insolvent; or

(d) he is convicted by a court of any offence involving moral turpitude and sentenced in respect thereof to imprisonment for not less than six months; or

(e) he fails to pay call in respect of shares of the Company held by him, whether alone or jointly with others, within six months from the last date for the payment of the call unless the Central Government by a Notification removed the Disqualification incurred by such failure ;or

(f) he absents himself from three consecutive meetings of the Board of Directors or from all meetings of the Board for a continuous period of three months, whichever is longer, without obtaining leave of absence from the Board; or

(g) he (whether by himself or by any person for his benefit or on his account) or any firm in which he is a partner or any private company of which he is a Director, accepts a loan, or any guarantee or security for a loan from the Company in contravention of Section 295 of the Act; or

(h) he being in any way whether directly or indirectly concerned or interested in a contract or arrangement or proposed contract or arrangement, entered into or to be entered into by or on behalf of the Company fails to disclose the nature of his concern or interest at a meeting of the Board of Directors as required by Section 299 of the Act; or

(i) he becomes disqualified by an order of the Court under Section 203 of the Act; or

(j) he is removed by an ordinary resolution of the Company before the expiry of his period of office; or

(k) if by notice in writing to the Company, he resigns his office; or

(l) having been appointed a Director by virtue of his holding any office or other employment in the Company, he ceases to hold such office of other employment in the Company.

(2) Notwithstanding anything contained in sub-clauses (c), (d) and (i) of clause (1) hereof, the disqualification referred to in these clauses shall not take effect:-

(a) for thirty days from the date of the adjudication sentence or order;

(b) where any appeal or petition is preferred within the thirty days aforesaid against the adjudication sentence or conviction resulting in the sentence or order, until the expiry of seven days from the date on which such appeal or petition is disposed of; or

(c) where within the seven days aforesaid any further appeal or petition is preferred in respect of the adjudication sentence, conviction or order, and the appeal or petition, if allowed would result in the removal of the disqualification, until such further appeal or petition is deposed of.

Removal of Directors

(3) (a) The Company may (subject to the provisions of Section 284 and other applicable provisions of the Act and these Articles) by ordinary resolution remove any Director before the expiry of his period of office.

(b) Special notice as provided by Article 118 or Section 190 of the Act shall be required of any resolution to remove a Director under the Article or to appoint some other person in place of a Director so removed at the meeting at which he is removed.

(c) On receipt of notice of a resolution to remove a Director under this Article, the Company shall forthwith send a copy thereof to the Director concerned and the Director (whether or not he is a member of the Company) shall be entitled to be heard on the resolution at the meeting.

(d) Where notice is given of a resolution to remove a Director under this Article and the Director concerned makes with respect thereto representations in writing to the Company (not exceeding a reasonable length) and requests their notification to members of the Company, the Company shall, unless the representations are received by it too late for it to do so (a) in the notice of the resolution given to members of the Company state the fact of the representations having been made, and (b) send a copy of the representations to every member of the Company to whom notice of the meeting is sent (before or after the representations by the Company) and if a copy of the representations is not sent as aforesaid because they were received too late or because of the Company's default, the Director may (without prejudice to his right to be heard orally) require that the representations shall be read out at the meeting; Provided that copies of the representations need not be sent or read out at the meeting if on the application either of the Company or of any other person who claims to be aggrieved, the Court is satisfied that the rights conferred by this sub-clause are being abused to secure needless publicity for defamatory matter.

(e) A vacancy created by the removal of a Director under this Article may, if he had been appointed by the Company in General Meeting or by the Board in pursuance of Article 148 or Section 262 of the Act be filled by the appointment of another Director in his stead by the meeting at which he is removed;

Provided special notice of the intended appointment has been given under sub-clause (3) hereof. A Director so appointed shall hold office until the date upon which his predecessor would have held office if he had not been removed as aforesaid.

(f) If the vacancy is not filled under sub-clause (e), it may be filled as a casual vacancy in accordance with the provisions, in so far as they are applicable of Article 148 or Section 262 of the Act, and all the provisions of that Article and Section shall apply accordingly.

(g) A Director who was removed from office under this Article shall not be re-appointed as a Director by the Board of Directors.

(h) Nothing contained in this Article shall be taken :

(i) as depriving a person removed hereunder of any compensation or damages payable to him in respect of the termination of his appointment as Director; or

(ii) as derogating from any power to remove a Director which may exist apart from this Article.

Directors may contract with the Company

154. Subject to compliance with the provisions of Section 297, 299, 300 and 314 of the Act and save as therein provided no Director shall be disqualified to hold any office or place of profit under the Company or under any company in which this Company shall be a shareholder or otherwise interested, or from contracting with the Company either as vendor, purchaser agent, broker or otherwise, nor shall any such contract or any arrangement entered into by or on behalf of the Company in which any Director shall be anywise interested be avoided, nor shall any Director be liable to account to the Company for profit arising from any contract or arrangement by reason only of such Director holding that office or of the fiduciary relation established.

Disclosure of Director's interest

155. (1) Every Director of the Company who is in any way, whether directly or indirectly concerned or interested in a contract or arrangement, or proposed contract or arrangement, entered into or to be entered into, by or on behalf of the Company, shall disclose the nature of his concern or interest at a meeting of the Board of Directors, in the manner provided in Section 299(2) of the Act.

(2) (a) In the case of a proposed contract or arrangement, the disclosure required to be made by a Director under clause (1) shall be made at the meeting of the Board at which the question of entering into the contract or arrangement is first taken into consideration, or if the Director was not, at the date of that meeting, concerned or interested in the proposed contract or arrangement at the first meeting of the Board held after he becomes so concerned or interested.

(b) In case of any other contract or agreement, the required disclosure shall be made at the first meeting of the Board held after the Director becomes concerned or interested in the contract or arrangement.

(3) (a) For the purpose of clauses (1) and (2) a general notice given to the Board by a Director to the effect that he is a Director or a member of a specified body corporate or is a member of a specified firm and is to be regarded as concerned or interested in any contract or arrangement which may, after the date of the notices be entered into with that body corporate or firm, shall be deemed to be sufficient disclosure of concern or interest in relation to any contract or arrangement so made.

(b) Any such general notice, shall expire at the end of the financial year in which it is given, but may be renewed for further period of one financial year at a time by a fresh notice given in the last month of financial year in which it would otherwise expire.

(c) No such general notice, and no renewal thereof, shall be of effect unless either it is given at a meeting of the Board, or the Director concerned takes reasonable steps to secure that it is brought up and read at the first meeting of the Board after it is given.

(4) Nothing in this Article shall apply to any contract or arrangement entered into or to be entered into between the Company and any other company where any one or more of the Directors of the Company together holds or hold not more than two per cent of the paid-up share capital in the other company.

Board resolution necessary for certain contracts

156. (1) Except with the consent of the Board of Directors of the Company, a Director of the Company or his relative, a firm in which such a Director or relative is partner, any other partner in such a firm, or a private company of which the Directors a member or Director, shall not enter into any contract with the Company.

(a) For the sale, purchase or supply of goods, materials or services; or

(b) for underwriting the subscription of any share in or debentures of the Company.

(2) Nothing contained in clause (a) of sub-clause (1) shall affect :

(a) the purchase of goods and materials for the Company or the sale of goods and materials to the Company by any Director, relative, firm, partner or private company as aforesaid for cash at prevailing market prices; or

(b) any contract or contracts between the Company on one side and any such Director, relative, firm, partner or private company on the other for sale, purchase or supply of any goods, materials and services in which either the Company or the Director, relative, firm, partner or private company as the case may be, regularly trades or does business,

PROVIDED that such contract or contracts do not relate to goods and materials the value of which or services the cost of which exceeds five thousand rupees in the aggregate in any year comprised in the period of the contract or contracts; or

(3) Notwithstanding anything contained in clauses (1) and (2) a Director, relative, firm, partner or private company as aforesaid may, in circumstances of urgent necessity, enter, without obtaining the consent of the Board, into any contract with the Company for the sale, purchase of any goods, materials or services even if the value of such goods or cost of such services exceeds rupees five thousand in the aggregate in any year comprised in the period of the contract; but in such a case the consent of the Board shall be obtained at a meeting within three months of the date on which the contract was entered into.

(4) Every consent of the Board required under this Article shall be accorded by a resolution of the Board required under clause (1) and the same shall not be deemed to have been given within the meaning of that clause unless the consent is accorded before the contract is entered into or within three months of the date on which it was entered into.

(5) If the consent is not accorded to any contract under this Article anything done in pursuance of the contract will be voidable at the option of the Board.

Disclosure to the members of Directors' interest in contract in appointing Manager or Managing Director

157. If the Company

(a) enters into a contract for the appointment of a manager or a managing director of the Company in which contract any Director of the Company is in any way directly or indirectly concerned or interested; or

(b) varies any such contract already in existence and in which a Director is concerned or interested as aforesaid, the provisions of Section 302 of the Act shall be complied with.

Holding of office of profit by Directors, etc.

158. (1) Except with the consent of the Company accorded by special resolution-

(a) no Director of the Company shall hold any office or place of profit, and

(b) no partner or relative of such a Director, no firm in which such a Director or relative is a partner, no private Company of which such a Director is a Director or member, and no director or manager of such a private company shall hold any office or place of profit, carrying a total monthly remuneration of rupees five hundred or more; except that of a managing director, manager, legal or technical advisor, banker or trustee for the holders of debentures of the Company –

(i) under the Company; or

(ii) under any subsidiary of the Company, unless the remuneration received from such subsidiary in respect of such office or place of profit is paid over to the Company or its holding Company;

PROVIDED that it shall be sufficient if the special resolution according the consent of the Company is passed at the general meeting of the Company held for the first time after the holding of such office or place of profit.

PROVIDED FURTHER that where a relative of a Director or a firm in which such relative is a partner, is appointed to an office or place of profit under the Company or a subsidiary thereof without the knowledge of the Director, the consent of the Company may be obtained either in the general meeting aforesaid or within three months from the Date of the appointment whichever is later.

For the purpose of this clause a special resolution according consent shall be necessary for every appointment in the first instance to an office or place of profit and to every subsequent appointment to such office or place of profit on a higher remuneration not covered by the special resolution except where an appointment on a time scale has already been approved by the special resolution;

(2) Nothing in clause (1) hereof shall apply where a relative of a Director or a firm in which such relative is a partner holds any office or place of profit under the Company or a subsidiary thereof having been appointed to such office or place before such Director becomes a Director of the Company.

(3) If any office or place of profit is held in contravention of the provisions of clause (1) above or except as provided by clause (2) above, the Director, partner, relative, firm, private company or the manager concerned shall be deemed to have vacated his or its office as such on and from the date next following the date of the general meeting of the Company referred to in the first proviso to clause (1) above or, as the case may be, the date of the expiry of the period of three months referred to in the second proviso to clause (1) above, and shall also be liable to refund to the Company remuneration received or the monetary equivalent of any perquisite or advantage enjoyed by him or it for the period immediately preceding the date aforesaid in respect of such office or place of profit.

(4) Every individual, firm, private company, or other body corporate proposed to be appointed to any office or place of profit to which this Article applies shall, before or at the time of such appointment, declare in writing whether he or it is or not connected with the Director of the Company in any of the ways referred to in clause (1).

(5) Any office or place shall be deemed to be an office or place of profit under the Company within the meaning of clause (1)-

(a) in case the office or place is held by a Director, if the Director holding it obtains from the Company anything by way of remuneration over and above the remuneration to which he is entitled as such Director whether as salary, fees, commission, perquisites, the right to occupy free of rent any premises as a place of residence or otherwise.

(b) in case the office or place is held by an individual other than a Director or by any firm, private company or other body corporate if the individual, firm. Private Company or body corporate holding it obtain from the Company anything by way of remuneration whether as salary, fees, commission, perquisites, the right to occupy free of rent any premises as a place of residence or otherwise.

Loans to Directors etc.

159. The Company shall not without obtaining the previous approval of the Central Government in that behalf, directly or indirectly make any loan to or give any guarantee or provide any security in connection with a loan made by any other person to, or any other person by -

(a) any Director of the Company or any partner or relative of any such Director;

(b) any firm in which any such Director or relative is a partner;

(c) any private company of which any such Director is a Director or member;

(d) any body corporate at a general meeting of which not less than twenty-five per cent of the total voting power may be exercised or controlled by any such Director or by two or more such Directors together; or

(e) any body corporate, the Board of Directors. Managing Director or Manager whereof, is accustomed to act in accordance with the directions or instructions of the Board, or of any Director or Directors of the Company.

Loans, etc. to Companies

160. The Company shall observe the restrictions imposed on the Company in regard to making any loans, giving any guarantee or providing any security to the companies or bodies corporate under the same management as provided in Section 372 A of the Act.

Interested Director not to participate or to vote in Board's proceedings

161. (1) No Director of the Company shall as a Director take any part in the discussion of or vote on any contract or arrangement entered into, or to be entered into, by or on behalf of the Company, if he is in any way whether directly or indirectly concerned or interested in such contract or arrangement nor shall his presence count for the purpose of forming a quorum at the time of any such discussion or vote and if he does vote, it shall be void; provided that the Board of Directors or any of its number may vote on any contract of indemnity against any loss which it or any one or more of its number may suffer by reason of becoming or being sureties or surety for the Company. Nothing in this Article shall apply to any contract or arrangement entered into or to be entered into with a public company or a private company which is subsidiary of a public company in which the interest of the Director aforesaid consists solely-

(2) In his being Directors of such company and the holder of not more than shares of such number and value therein as is requisite to qualify him for the appointment as a Director thereof, he having been nominated as such Director by the Company,

(3) In his being a member holding not more than two per cent of its paid up share capital.

This Article is subject to the provisions of sub-section (2) of Section 300 of the Act.

Register of contracts in which Directors are interested.

162. (1) The Company shall keep one or more registers in which shall be entered separately particulars of all contracts and arrangements to which Section 297 or Section 299 of the Act applies including the following particulars to the extent they are applicable in each case namely:-

(a) the date of the contract or arrangement;

(b) the names of the parties thereto;

(c) the principal terms and conditions thereof;

(d) in the case of contract to which Section 297 of the Act applies or in the case of a contract or arrangement to which sub-section (2) of Section 299 of the Act applies the date on which it was placed before the Board;

(e) the names of the Directors voting for and against the contract or arrangement and the names of those remaining neutral.

(2) Particulars of every such contract or arrangement to which Section 297 of the Act or as the case may be sub-section (2) of Section 299 applies shall be entered in the relevant register aforesaid-

(a) in the case of a contract or arrangement requiring the Board's approval within seven days (exclusive of public holidays) of the meeting of the Board at which the contract or arrangement is approved;

(b) in the case of any other contract or arrangement within seven days of the receipt at the registered office of the Company of the particulars of such other contract or arrangement or within thirty days of the date of such other contract or arrangement whichever is later, and the Register shall be placed before the next meeting of the Board and shall be signed by all the Directors present at the meeting.

(c) The register shall be kept at the registered office of the Company and it shall be open to inspection at such office, and extracts may be taken therefrom and copies thereof may be required by any member of the Company to the same extent, in the same manner, and on payment of the same fee as in the case of the Register of Members of the Company and the provision of Section 163 of the Act shall apply accordingly.

(3) The Register aforesaid shall also specify, in relation to each Director of the Company the names of the firms and bodies corporate of which notice has been given by him under sub-section (3) of Section 299 of the Act.

(4) Nothing in clauses (1), (2) and (3) shall apply to any contract or arrangement for the sale, purchase or supply of any goods and materials or services if the value of such goods and materials or the cost of such services does not exceed rupees one thousand in the aggregate in any year.

ROTATION & APPOINTMENT OF DIRECTORS

Directors may be Directors of Companies promoted by the Company

163. A Director may be or become a Director of any Company or in which it may be interested as a Vendor, shareholder, or otherwise, and no such Director shall be accountable for any benefits received as Director or shareholder of such Company except in so far as Section 309(6) or Section 314 of the Act may be applicable.

Rotation of Directors

164. Not less than two-thirds of the total number of Directors shall (a) be persons whose period of the office is liable to determination by retirement of Directors by rotation and (b) save as otherwise expressly provided in the Articles be appointed by the Company in General Meeting.

Retirement of Directors

165. Subject to the provisions of Section 256 of the Act and Articles 141, 142 to 148 at every annual general meeting of the Company one-third of such of the Directors for the time being as are liable to retire by rotation, or if their number is not three or a multiple of three the number nearest to one-third, shall retire from office. The Debenture Directors, Corporation Directors, Special Directors, subject to Article 148, Managing Directors or whole time Director, if any, shall not be subject to retirement under this Article and shall not be taken into account in determining the number of Directors to retire by rotation. In these Articles a "Retiring Director" means a Director retiring by rotation.

Ascertainment of Directors retiring by rotation and filling of vacancies.

166. Subject to Section 284(5) of the Act, the Directors to retire by rotation under Article 168 at every annual general meeting shall be those who have been longest in office since their last appointment, but as between those who become directors on the same day, those who are to retire shall, in default of and subject to any agreement among themselves, be determined by lot.

Eligibility for re-election

167. A retiring Director shall be eligible for re-election.

Company to fill vacancies

168. Subject to Sections 258, 259 and 284 of the Act, the Company at the general meeting at which a Director retires in manner aforesaid may fill up the vacancy by appointing the retiring director or some other person thereto.

Provision in default of appointment

169. (a) If the place of retiring Director is not so filled up and the meeting has not expressly resolved not to fill the vacancy, the meeting shall stand adjourned till the same day in next week, at the same time and place, or if that day is a public holiday till the next succeeding day which is not a public holiday at the same time and place.

(b) If at the adjourned meeting also, the place of the retiring Director is not filled up and that meeting also has not expressly resolved not to fill the vacancy, the retiring Director shall be deemed to been re-appointed at the adjourned meeting, unless-

(i) at that meeting or the previous meeting a resolution for the re-appointment of such director has been put to the meeting and lost;

(ii) the retiring Director has, by a notice in writing addressed to the Company or its Board of Directors, expressed his unwillingness to be so re-appointed;

(iii) he is not qualified or is disqualified for appointment;

(iv) a resolution, whether special or ordinary, is required for his appointment or re-appointment in virtue of any provisions of the Act; or

(v) the proviso to sub-section (2) of Section 263 of the Act is applicable to the case.

Company may increase or reduce the number of Directors or remove any Director

170. Subject to the provisions of Sections 252, 255 and 259 of the Act, the Company may, by ordinary resolution, from time to time, increase or reduce the number of Directors and may alter qualifications.

Appointment of Directors to be voted individually

171. (1) No motion at any general meeting of the Company shall be made for th appointment of two or more persons as Directors of the Company by a single resolution unless a resolution that it shall be so made, has been first agreed to by the meeting without any vote being given against it.

(2) A resolution moved in contravention of clause (1) hereof shall be void, whether or not objection was taken at the time of its being so moved; provided where a resolution so moved is passed, no provision for the automatic re-appointment of retiring Director in default of another appointment as hereinbefore provided shall apply.

(3) For the purpose of this Article, a motion for approving a persons appointment, or for nominating a person for appointment, shall be treated as a motion for his appointment.

Notice of candidature for office of Director except in certain cases.

172. (1) No person, not being a retiring director shall be eligible for election to the office of Directors at any General Meeting unless he or some other member intending to propose him has at least fourteen days before the meeting, left at the office of the Company a notice in writing under his hand signifying his candidature for the office of a Director or the intention of such member to propose him as director for office as the case may be along with a deposit of five hundred rupees which shall be refunded to such member, if the person succeeds in getting elected as a Director.

(2) The Company shall inform its members of the candidature of the person for the office of Director or the intention of a member to propose such person as a candidate for that office by serving individual notices on the members not less than seven days before the meeting. Provided that it shall not be necessary for the Company to serve individual notices on the members not less than seven days before the meeting. Provided that it shall not be necessary for the Company to serve individual notices upon the members as aforesaid if the Company advertises such candidature or intention not less than seven days before the meeting in at least two newspapers circulating in the place where the registered office of the Company is located, of which one is published in the English language and the other in the regional language of that place.

(3) Every person (other than a director retiring by rotation or otherwise or a person who has left at the office of the Company a notice under Section 257 of the Act signifying his candidature for the office of a Director) proposed as a candidate for the Office of a Director shall sign and file with the Company his consent in writing to act as a Director if appointed.

(4) A person, other than -

(a) a Director re-appointed after retirement by rotation or immediately on the expiry of his term of office, or

(b) additional or alternate Director or a person filling a casual vacancy in the office of a Director under Section 262 of the Act appointed as a director or re-appointed as an additional or alternate Director immediately on the expiry of his term of office shall not act as a director of the Company unless he has within thirty days of his appointment signed and filed with the Registrar his consent in writing to act as such Director.

Register of Directors and notification of change to Registrar

173. (1) The Company shall keep at its registered office a Register containing the particulars of its Directors and other persons mentioned in Section 303 of the Act, and shall send to the Registrar a Return containing the particulars specified in such Register, and shall otherwise comply with the provisions of the said section in all respects.

(2) The Company shall keep at the registered office a Register showing as respects each Director of the Company the number, description and amount of any shares in or debentures of the Company or any other body corporate being the Company's subsidiary or holding company or a subsidiary of the Company's holding Company which are held by him or in trust for him or of which he has any right to become the holder whether on payment or not, as required by Section 307 of the Act. Such Register shall be kept open for inspection by any member or debenture holder of the Company as required by Section 307(5) of the Act.

Disclosure by Director of appointment to any other body corporate.

174. Every Director (including a person deemed to be a Director of the Company by virtue of the explanation to sub-section (1) of Section 303 of the Act), Managing Director, Manager or Secretary of the Company who is appointed to or relinquishes office of Director, Managing Director, Manager or Secretary of any other body corporate shall within thirty days of his appointment to, or as the case may be, relinquishment of such office, disclose to the Company the particulars relating to the office in the other body corporate which are required to be specified under sub-section (1) of Section 303 of the Act.

Disclosure by Directors of their holdings of shares and debentures of the Company

175. Every Director and every person deemed to be a Director of the Company by virtue of sub-section (10) of Section 307 of the Act shall give notice to the Company of such matters relating to himself as may be necessary for the purpose of enabling the Company to comply with the provisions of that section. Any such notice shall be given in writing and if it is not given at a meeting of the Board the person giving the notice shall take all reasonable steps to secure that it is brought up and read at the first meeting of the Board next after it is given.

MANAGING DIRECTOR WHOLE TIME DIRECTOR

Board may appoint Managing Director or Managing Director(s) or Whole time Director(s)

176. Subject to the provisions of the Act, and these Articles, the Directors shall have power to appoint from time to time one or more of their body to be Managing Director or Managing Directors or whole time Director or whole time Directors of the Company for such term not exceeding five years at a time as they may think fit to manage the affairs and business of the Company and may from time to time (subject to the provisions of any contract between him or them and the Company) remove or dismiss him or them from office and appoint another or others in his or their place or places.

What provisions they will be subject to

177. Subject to the provisions of the Act and these Articles, the Managing Director or the Whole Time Director shall not, while he continues to hold that office, be subject to retirement by rotation under Article 168 be subject to the provisions of any contract between him and the Company, be subject to the same provisions as the resignation and removal as the other Directors of the Company and he shall *ipso facto* and immediately cease to be a Managing Director or Whole Time Director if he ceases to hold the office of Director from any cause provided that if at any time the number of Directors (including Managing Director or Whole Time Director) as are not subject to retirement by rotation shall exceed one-third of the total number of the Director for the time being, then such of the Managing Director or Whole Time Director or two or more of them as the Directors may from time to time determine shall be liable to retirement by rotation in accordance with the Article 168 to the intent that the number of Directors not liable to retirement by rotation shall not exceed one-third of the total number of Directors for the time being.

Remuneration of Managing or Whole time Director(s)

178. The remuneration of the Managing Director or whole time Director shall (subject to Section 309 and other applicable provisions of the Act and of these Articles and of any contract between him and the Company) be fixed by the Directors, from time to time and may be by way of fixed salary and/or perquisites or commission on profits of the Company or by participation in such profits, or by fee for each meeting of the Board or by and or all these modes or any other mode not expressly prohibited by the Act.

Powers and duties of Managing and Whole time Director(s)

179. Subject to the superintendence, control and direction of the Board the day to day management of the Company shall be in the hands of the Managing Director(s) or whole time Director(s) appointed under Article 179 with power to the Board to distribute such day to day management functions among such Director(s) in any manner as deemed fit by the Board and subject to the provisions of the Act and these Articles the Board may by resolution vest any such Managing Director or Managing Directors or whole time Director or whole

time Directors such of the power hereby vested in the Board generally as it thinks fit and such powers may be made exercisable for such period or periods and upon such conditions and subject to such restrictions as it may determine and they may subject to the provisions of the Act and these Articles confer such powers either collaterally with or to the exclusion of or in substitution for all or any of the powers of the Directors in that behalf and may from time to time revoke, withdraw, alter or vary all or any of such powers.

PROCEEDINGS OF THE BOARD OF DIRECTORS

Meeting of Directors

180. The Directors may meet together as a Board for the despatch of business from time to time, and unless the Central Government by virtue of the proviso to Section 285 of the Act otherwise directs, shall so meet at least once in every three months and at least four such meetings shall be held in every year. The Directors may adjourn and otherwise regulate their meetings as they think fit.

Notice of Meetings

181. (1) Notice of every meeting of the Board of Directors shall be given in writing to every Director for the time being in India, and at his usual address in India to every other Director.

When meeting to be convened

(2) A Director may at any time and the Secretary upon the request of a Director made at any time shall convene a meeting of the Board of Directors by giving a notice in writing to every Director for the time being in India and at his usual address in India to every other Director. Notice may be given by telegram to any Director who is not in the State of Maharashtra.

Quorum

182. (a) Subject to Section 287 of the Act, the quorum for a meeting of the Board of Director shall be one-third of its total strength (excluding Directors, if any, whose places may be vacant at the time and any fraction contained in that one- third being rounded off as one) or two Directors whichever is higher; PROVIDED that where at any time the number of interested Directors at any meeting exceeds or is equal to two-third of the total strength, the number of the remaining Directors (that is to say, the number of Directors who are not interested) present at the meeting being not less than two shall be the quorum during such time.

(b) for the purpose of clause (a)

(i) "Total strength of the Board of Directors" of the Company shall be determined in pursuance of the Act, after deducting therefrom number of the Directors, if any, whose places may be vacant at the time and

(ii) "interested Directors" means any Directors whose presence cannot by reason of Article 164 hereof or any other provisions in the Act count for the purpose of forming a quorum at a meeting of the Board, at the time of the discussion or vote on any matter.

Procedure when meeting adjourned for want of quorum

183. If a meeting of the Board could not be held for want of quorum then the meeting shall automatically stand adjourned till the same day in the next week, at the same time and place, or if that day is a public holiday, till the next succeeding day which is not a public holiday at the same time and place.

Chairman

184. The Directors from among their number may elect a Chairman and a Vice Chairman, of the Board of Directors. The Chairman and in his absence the Vice Chairman, if any, shall preside at all meetings. If no such Chairman or Vice-Chairman is elected, or if at any meeting the Chairman as well as the Vice-Chairman are not present at the time appointed for holding the same, the Directors present shall choose one of their number to be Chairman of such meeting.

Questions of Board meeting how decided

185. Subject to provisions of Section 316, 372(5) and 386 of the Act, questions arising at any meeting of the Board shall be decided by a majority of votes, and in case of an equality of votes, the Chairman shall have second or casting vote.

Powers of Board meetings

186. A meeting of the Board of Directors for the time being at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions which by or under the Act or these Articles or the regulations for the time being of the Company are vested in or exercisable by the Board of Directors generally.

Directors may appoint Committees	187.	The Board of Directors may subject to the provisions of Section 292 and other relevant provisions of Act and of these Articles appoint committee of the Board, and delegate any of the powers other than the powers to make calls and to issue debentures to such committee or committees and may from time to time revoke and discharge any such committees of the Board either wholly or in part and either as to the persons or purposes, but every committee of the Board so formed shall in exercise of the powers so delegated conform to any regulation that may from time to time be imposed on it by the Board of Directors. All acts done by any such committee of the Board in conformity with such regulations and in fulfillment of the purpose of their appointment, but not otherwise, shall have the like force and effect, as if done by the Board.
Meeting of committee how to be governed	188.	The meetings and proceedings of any such Committee of the Board consisting of two or more members shall be governed by the provisions herein contained for regulating the meetings and proceedings of the Directors, so far as the same are applicable thereto and are not superseded by any regulations made by the Directors under the last preceding Article.
Circular resolution	189.	(1) A resolution passed by circular without a meeting of the Board or a Committee of the Board appointed under Article 190 shall subject to the provisions of sub-clause (2) hereof and the Act be as valid and effectual as the resolution duly passed at meeting of the Directors or of a Committee duly called and held.
		(2) A resolution shall be deemed to have been duly passed by the Board or by a Committee thereof by circulation, if the resolution, has been circulated in draft together with necessary papers, if any, to all the Directors or to all the members of the Committee then in India (not being less in number than in the quorum fixed for a meeting of the Board or Committee as the case may be), and to all other Directors or members of the Committee at their usual addresses in India and has been approved by such of the Directors or members of the Committee as are in India or by a majority of such of them as are entitled to vote on the resolution.
Acts of board or committee valid notwithstanding defect in appointment	190.	All acts, done by any meeting of the Board or by a Committee of the Board or by any person acting as a Director shall, notwithstanding that it shall afterwards be discovered that there was some defect in the appointment of one or more of such Directors or any person acting as aforesaid, or that they or any of them were disqualified or had vacated office or that the appointment of any of them is deemed to be terminated by virtue of any provisions contained in the Act or in these Articles, be as valid as if every such person had been duly appointed and was qualified to be a Director. Provided nothing in this Article shall be deemed to give validity to acts done by a Director after his appointment has been shown to the Company to be invalid or to have terminated.

POWERS OF THE BOARD

Power of directors	191.	The business of the Company shall be managed by the Board who may exercise all such powers of the Company and do all such acts and things as are not, by the Act, or any other Act or by the Memorandum or by the Articles of Company required to be exercised by the Company in general meeting, subject nevertheless of these Articles or the provisions of the Act, or any other Act and to such regulation being not inconsistent with the aforesaid regulations or provisions, as may be prescribed by the Company in general meeting but no regulations made by the Company in general meeting shall invalidate any other act of the Board which have been valid if that regulation had not been made, PROVIDED that the Board shall not, except with the consent of the Company in general meeting:
		(a) sell, lease or otherwise dispose of the whole or substantially the whole, of the undertaking of the Company or where the Company owns more than one undertaking, of the whole or substantially the whole of any such undertaking;
		(b) remit, or give time for the payment of any debt due by a Director;
		(c) invest otherwise than in trust securities the amount of compensation received by the Company in respect of the compulsory acquisition of any such undertaking as is referred to in clause (a), or of any premises or properties used for any such undertaking and

without which it cannot be carried on or can be carried on only with difficulty or only after a considerable time;

(d) borrow moneys where the moneys to be borrowed together with the moneys already borrowed by the Company (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) will exceed the aggregate of the paid up capital of the Company and its free reserves, that is to say, reserves not set apart for specific purposes; or

(e) contribute to charitable and other funds not directly relating to the business of the Company or the welfare of its employees, an amounts the aggregate of which will, in any financial year, exceed twenty-five thousand rupees or five per cent of its average net profits as determined in accordance with the provisions of Sections 349 and 350 of the Act during the three financial years immediately preceding, whichever is greater; Provided that the Company in general meeting or the Board shall not contribute any amount to any political party or for any political purpose to any individual or body :

(i) Provided that in respect of the matter referred to in clauses (d) or (e) such consent shall be obtained by a resolution of the Company which shall specify the total amount up to which moneys may be borrowed by the Board under clause (d) or as the case may be, total amount which may be contributed to charitable or other fund in any financial year under clause (e);

(ii) Provided further that the expression "temporary loans" in clause (d) above shall mean loans repayable on demand or within six months from the date of the loan such as short term, cash credit arrangements, the discounting of bills and the issue of other short term loans of a seasonal character, but does not include loans raised for the purpose of financing expenditure of a capital nature.

Certain powers to be exercised by the board only at meetings

192. (1) Without derogating from the powers vested in the Board of Directors under these Articles the Board shall exercise the following powers on behalf of the Company and they shall do so only by means of resolutions passed at the meetings of the Board :

(a) the power to make calls on shareholders in respect of money unpaid on their shares;

(b) the power to issue debentures;

(c) the power to borrow moneys otherwise than on debentures;

(d) the power to invest the funds of the Company;

(e) the power to make loans.

Provided that the Board may by resolution passed at a meeting delegate to any committee of Directors, Managing Director or any other principal officer of the Company, the powers specified in (c), (d) and (e) of this clause to the extent specified below :

(2) Every resolution delegating the power referred to in sub-clause (1)(c) shall specify the total amount, outstanding at any one time, up to which moneys may be borrowed by the delegate.

(3) Every resolution delegating the power referred to in sub-clause (1) (d) shall specify the total amount up to which the funds of the Company may be invested, and the nature of the investments which may be made, by the delegate.

(4) Every resolution delegating the power referred to in sub-clause (1) (e) shall specify the total amount up to which loans may be made by the delegates, the purpose for which the loans may be made and the maximum amount of loans which may be made for each such purpose in individual cases.

(5) Nothing in this Article contained shall be deemed to affect the right of the Company in general meeting to impose restrictions and conditions on exercise by the Board of any of the powers referred to in sub-clauses (a), (b), (c), (d) and (e) of clause (1) above.

Certain powers of the Board

193. Without prejudice to the general powers conferred by the last preceding Article and so as not in any way to limit or restrict those powers and without prejudice to the last preceding

Article it is hereby declared that the Directors shall have the following powers that is to say, power-

(1) to pay the costs, charges and expenses preliminary and incidental to the formation, promotion, establishment and registration of the Company;

(2) to pay and charge to the Company any commission or interest, lawfully payable thereto under the provisions of Sections 76 and 208 of the Act;

(3) subject to Sections 202 and 297 of the Act to purchase or otherwise acquire for the Company any property, rights or privileges which the Company is authorised to acquire at or for such price or consideration and generally on such terms and conditions as they may think fit and in any such purchase or other acquisition accept such title as the Directors may believe or may be advised to be reasonably satisfactory;

(4) at their discretion and subject to the provisions of the Act to pay for any property rights or privileges by or services rendered to the Company, either wholly or partially in cash or in shares, bonds, debentures, mortgages or other securities of the Company, and any such shares may be issued either as fully paid up or with such amount credited as paid up thereon as may be agreed upon, and any such bonds, debentures, mortgages or other securities may be either specifically charged upon all or any part of the property of the company and its uncalled capital or not so charged;

(5) to secure the fulfillment of any contracts or engagement entered into by the Company by mortgage or charge of all or any of the property of the Company and its uncalled capital for the time being or in such manner as they may think fit;

(6) to accept from any member, so far as may be permissible by law, a surrender of his shares or any part thereof, on such terms and conditions as shall be agreed;

(7) to appoint any person to accept and hold in trust for the Company property belonging to the Company, or in which it is interested or for any other purposes and to execute and do all such deeds and things as may be required in relation to any such trust, and to provide for the remuneration of such trustee or trustees,

(8) to institute, conduct, defend, compound or abandon any legal proceedings by or against the Company or its officer, or otherwise concerning the affairs of the Company, and also to compound and allow time for payment on satisfaction of any debts, due, and of any claims or demands by or against the Company and to refer any difference to arbitration, either according to Indian Law or according to foreign law and either in India or abroad and observe and perform or challenge any award made therein;

(9) to act on behalf of the Company in all matters relating to bankrupts and insolvents;

(10) to make and give receipts, release and other discharge for moneys payable to the Company and for the claims and demands of the Company;

(11) subject to the provisions of Sections 292, 293(1), 295, 372A and 373 of the Act to invest and deal with any moneys of the Company not immediately required for the purpose thereof, upon such security (not being the shares of this Company) or without security and in such manner as they may think fit, and from time to time to vary or realise such investments. Save as provided in Section 49 of the Act, all investments shall be made and held in the Company's own name;

(12) to execute in the name and on behalf of the Company in favour of any Director or other person who may incur or be about to incur any personal liability whether as principal or surety, for the benefit of the Company, such mortgage of the Company's property (present and future) as they think fit, and any such mortgage may contain a power of sale and other powers, provisions, covenants and agreements as shall be agreed upon;

(13) to determine from time to time who shall be entitled to sign, on the Company's behalf, bills, notes, receipts, acceptances, endorsements, cheques, dividend warrants, releases, contracts and documents and to give the necessary authority for such purpose;

(14) to distribute by way of bonus amongst the staff of the Company a share or shares in the profits of the Company, and to give to any officer or other person employed by the Company a commission on the profits of any particular business or transaction; and to charge such bonus or commission as a part of working expenses of the Company;

(15) to provide for the welfare of Directors or ex-Directors or employees or ex-employees of the Company and wives, widows, and families or the dependents or connections of such persons, by building or contributing to the building of houses, dwellings or chawls or by grants of money, pensions, gratuities, allowances, bonus or other payments or by creating and from time to time subscribing or contributing to provident and other associations, institutions, funds, or trusts and by providing or subscribing or contributing towards places of instructions and recreation, hospitals and dispensaries, medical and other attendance and other assistance as the Board shall think fit, and subject to the provisions of the Section 293 (1) (e) of the Act to subscribe or contribute or otherwise to assist or to guarantee money to charitable, benevolent, religious, scientific, national or other institutions or objects which shall have any moral or other claim to support or aid by the Company, either by reason of locality of operation, or the public and general utility or otherwise;

(16) before recommending any dividend, to set aside out of the profits of the Company such sums as they may think proper for depreciation or the depreciation fund, or to insurance fund, or as a reserve fund or sinking fund or any special fund to meet contingencies or to repay debentures or debenture stock or for special dividends or for equalising dividends or for repairing, improving, extending and maintaining any of the property of the Company and for such other purposes (including the purposes referred to in the preceding clause) as the Board may, in their absolute discretion think conducive to the interest of the Company, and subject to Section 292 of the Act, to invest the several sums to set aside or so much thereof as required to be invested, upon such investments (other than share of this Company) as they may think fit, and from time to time to deal with and vary such investments and dispose of and apply and expend all or any part thereof for the benefit of the Company, in such manner and for such purposes as the Board in their absolute discretion think conducive to the interest of the Company notwithstanding that the matters to which the Board apply or upon which they expend the same or any part thereof may be matters to or upon which capital moneys of the Company might rightly be applied or expended; and to divide the reserve fund into such special funds as the Board may think fit; with full power to transfer the whole or any portion of a reserve fund or division of a Reserve Fund to another Reserve Fund and/or division of a reserve fund and with full power to employ the assets constituting all or any of the above funds including the depreciation fund, in the business of the Company or in purchase or repayment of debentures or debenture stock and without being bound to keep the same separate from the other assets and without being bound to pay interest on the same, with power however to the Board at their discretion to pay or allow to the credit of such funds interest at such rate as the Board may think proper, not exceeding nine per cent per annum;

(17) to appoint, and at their discretion remove or suspend such general manager, managers, secretaries, assistants, supervisors, scientists, technicians, engineers, consultants, legal, medical or economic advisers, research workers, labourers, clerks, agents and servants for permanent, temporary or special services as they may from time to time think fit, and to determine their powers and duties, and to fix their salaries, or emoluments or remuneration, and to require security in such instances and to such amounts as (they may think fit; and also from time to time to provide) for the management and transaction of the affairs of the Company in any specified locality in India or elsewhere in such manner as they think fit; and the provision contained in the next following sub-clauses shall be without prejudice to the general powers conferred by this sub-clause;

(18) to comply with the requirement of any local law which in their opinion it shall in the interest of the Company be necessary or expedient to comply with;

(19) from time to time and at any time to establish any Local Board for managing any of the affairs of the Company in any specified locality in India or elsewhere and to appoint any person to be members of such Local Board, and to fix their remuneration;

(20) subject to Section 292 of the Act, from time to time, and at any time to delegate to any persons so appointed any of the powers, authorities, and discretions for the time being vested in the Board, other than their power to make calls or to make loans or borrow moneys; and to authorise the member for the time being of any such Local Board, or any of them to fill up any vacancies therein and to act notwithstanding vacancies, and such appointment or delegation may be made on such terms subject to such conditions as the Board may think fit, and the Board may at any time remove any person so appointed, and may annul or vary any such delegation;

(21) at any time and from time to time by Power of Attorney under the Seal of the Company, to appoint any person or persons to be the Attorney or Attorneys of the Company, for such purposes and with such powers, authorities and discretions (not exceeding those vested in or exercisable by the Board under these presents and excluding the power to make calls and excluding also except in their limits authorised by the Board the power to make loans and borrow moneys) and for such period and subject to such conditions as the Board may from time to time think fit, and any such appointments may (if the Board thinks fit) be made in favour of the members or any of the members of any local board established as aforesaid or in favour of any company, or the shareholders. Directors, nominees or managers of any Company or firm or otherwise in favour of any fluctuating body of persons whether nominated directly or indirectly by the Board and any such Powers of Attorney may contain such powers for the protection or convenience of persons dealing with such Attorneys as the Board may think fit, and may contain powers enabling any such delegated attorneys as aforesaid to sub-delegate all or any of the powers, authorities and discretion for the time being vested in them;

(22) subject to Sections 294, 287 and 300 of the Act, for or in relation to any of the matters aforesaid or otherwise for the purpose of the Company to enter into all such negotiations and contracts and rescind and vary all such contracts, and execute and do all such acts, deeds and things in the name and on behalf of the Company as they may consider expedient;

(23) from time to time to make, vary and repeal bye-laws for the regulations of the business of the Company, its officers and servants.

MINUTES

Minutes to be considered evidence

194. (1) The Company shall cause, minutes of all proceedings of general meetings and of all proceedings of every meeting of the Board of Directors or of every committee of the Board to be kept by making within thirty days of the conclusion of every such meeting concerned entries thereof in books kept for that purpose with their pages consecutively numbered.

(2) Each page of every such book shall be initialled or signed and the last page of the record of proceedings of each meeting in such books shall be dated and signed-

(a) in the case of minutes of proceedings of a meeting of Board or of a Committee thereof by the Chairman of the said meeting or the Chairman of the next succeeding meeting;

(b) in case of minutes of proceedings of the general meeting, by the Chairman of the said meeting within the aforesaid period of thirty days or in the event of the death or inability of that Chairman within that period by a Director duly authorised by the Board for the purpose.

(3) In no case the minutes of the proceedings of a meeting shall be attached to any such book as aforesaid by pasting or otherwise.

(4) The minutes of each meeting shall contain a fair and correct summary of the proceedings thereat.

(5) All appointments of officers made at any of the meetings aforesaid shall be included in the minutes of the meeting.

(6) In the case of a meeting of the Board of Directors or of a Committee of the Board, the minutes shall contain:-

(a) the names of the Directors present at the meeting;

(b) in the case of each resolution at the meeting the names of the Directors if any, dissenting from or not concurring in the resolution.

(7) Nothing contained in clause (1) to (6) hereof shall be deemed to require inclusion in any such minutes of any matter which in the opinion of the Chairman of the meeting

(a) is or could reasonably be regarded as defamatory of any person:

(b) is irrelevant or immaterial to the proceedings: or;

(c) is detrimental to the interests of the Company.

The Chairman shall exercise an absolute discretion in regard to the inclusion or non-inclusion of any matter in the minutes on the grounds specified in this sub- clause.

Minutes to be evidence of the proceedings

195. The minutes of meeting kept in accordance with the provisions of Section 193 of the Act shall be evidence of the proceedings recorded therein.

Presumptions to be drawn where minutes duly drawn and signed

196. Where the minutes of the proceedings of any general meeting of the Company or of any meeting of the Board or of a Committee of Directors have been kept in accordance with the provisions of Section 193 of the Act, until the contrary is proved, the meeting shall be deemed to have been duly called and held, all proceedings thereat to have been duly taken place and in particular all appointments of Directors or liquidators made at the meeting shall be deemed to be valid.

Inspection of Minutes Books of General Meetings

197. (1) The books containing the minutes of the proceedings of any general meetings of the Company shall be open to inspection of members without charge on such days and during such business hours as may consistently with the provision of Section 196 of the Act be determined by the Company in general meeting and the members will also be entitled to be furnished with copies thereof on payment of regulated charges.

(2) Any member of the Company shall be entitled to be furnished within seven days after he has made a request in that behalf to the Company with a copy of any minutes referred to in sub-clause (1) hereof on payment of Rupee One for every hundred words or fractional part thereof required to be copied.

Publication of report of proceedings of General Meetings

198. No document purporting to be a report of the proceedings of any general meeting of the Company shall be circulated or advertised at the expenses of the Company unless it includes the matters required by Section 193 of the Act to be contained in the minutes of the proceeding of such meeting

MANAGEMENT

Prohibition of simultaneous appointment of different categories of managerial persons

199. The Company shall not appoint or employ at the same time more than one of the following categories of managerial personnel, namely :
(a) Managing Director,
(b) Manager.

THE SECRETARY

Secretary

200. The Directors may from time to time appoint, and at their discretion, remove any Individual, firm or body corporate (hereinafter called "the Secretary") to perform any functions, which by the Act are to be performed by the Secretary, and to execute any other purely ministerial or administrative duties, which may from time to time be assigned to the Secretary by the Directors. The Directors may also at any time appoint some person (who need not be the Secretary) to keep the registers required to be kept by the Company.

THE SEAL

The Seal, its custody and use.

201. (1) The Board of Directors shall provide a Common Seal for the purpose of the Company and shall have power from time to time to destroy the same and substitute a new Seal in lieu thereof, and the Board shall provide for the safe custody of the Seal for the time being, under such regulations as the Board may prescribe;

(2) The seal shall not be affixed to any instrument except by the authority of the Board of Directors or a Committee of the Board previously given and in the presence of at least one Director of the Company, who shall sign every instrument to which the seal is affixed. Provided nevertheless that any instrument bearing the Seal of the Company and issued for valuable consideration shall be binding on the Company notwithstanding any irregularity touching the authority of the Board to issue the same. Provided further that the certificates of shares or debentures shall be sealed in the manner and in conformity with the provisions of the Companies (Issue of Share Certificates) Rules, 1960, and their statutory modifications for the time being in force.

DIVIDEND WARRANTS

Division of profits

202. (1) Subject to the rights of persons, if any, entitled to shares with special rights as to dividends, all dividends shall be declared and paid according to the amounts paid or credited as paid on the shares in respect whereof the dividend is paid, but if and so long as nothing is paid upon any of the shares in the Company, dividends may be declared and paid according to the amounts of the shares.

(2) No amount paid or credited as paid on a share in advance of calls shall be treated for the purposes of this regulation as paid on the share.

(3) All dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the shares during any portion or portions of the period in respect of which the dividend is paid; but if any share is issued on terms providing that it shall rank for dividend as from a particular date such share shall rank for dividend accordingly.

The Company in general meeting may declare dividends

203. The Company in general meeting may declare dividends, to be paid to members according to their respective right and interest in the profits and may fix the time for payment and the Company shall comply with the provisions of Section 207 of the Act, but no dividends shall exceed the amount recommended by the Board of Directors, but the Company may declare a smaller dividend in general meeting.

Dividends out of profits only

204. (1) No dividend shall be declared or paid by the Company for any financial year except out of the profits of the Company for that year arrived at after providing for depreciation in accordance with the provision of sub-clause (2) or out of the profits of the Company for any previous financial year or years arrived at after providing for depreciation in accordance with those provisions and remaining undistributed or out of both or out of moneys provided by the Central Government or State Government for the payment of dividends in pursuance of a guarantee given by the Government.

(2) The depreciation shall be provided either-

(a) to the extent specified in Section 350 of the Act, or

(b) in respect of each item of depreciable asset, for such an amount as is arrived at by dividing 95 per cent of the original cost thereof to the Company by the specified period in respect of such assets, or

(c) on any other basis approved by the Central Government which has the effect of writing off by way of depreciation 95 per cent of the original cost to the Company of its such depreciable asset on the expiry of the specified period, or

(d) as regards any other depreciable assets for which no rate of depreciation has been laid down by the Indian Income-Tax Act, 1961 or the Rules made thereunder on such basis as may be approved by the Central Government by any general order published in the Official Gazette or by special order in the case of the Company.

PROVIDED that where depreciation is provided for in the manner laid down in clause (b) or clause (c) then in the event of depreciated assets being sold, discarded, demolished or destroyed, the written down value thereof at the end of the financial year in which the asset is sold, discarded, demolished or destroyed, shall be written off in accordance with the proviso to Section 350 of the Act.

(3) No dividend shall be payable except in cash, provided nothing in this Article shall be deemed to prohibit the capitalisation of the profits or reserves of the Company for the purpose of issuing fully paid up bonus shares or paying up any amount for the time being unpaid on any shares held by the members of the Company.

(4) Nothing in this Article shall be deemed to affect in any manner the operation of Section 208 of the Act.

(5) For the purpose of this Article 'specified period' in respect of any depreciable asset shall mean the number of years at the end of which at least 95 per cent of the original cost of that asset to the Company will have been provided for by way of depreciation, if depreciation were to be calculated in accordance with the provisions of Section 350 of the Act.

Interim Dividend

205. The Board of Directors may from time to time, pay to the members such interim dividends as in their judgement the position of the Company justifies.

Debts may be deducted

206. The Director may retain any dividends on which the Company has a lien and may apply the same in or towards the satisfaction of the debts, liabilities or engagements in respect of which the lien exists.

Capital paid up in advance interest not to earn dividend

207. Where the capital is paid in advance of the calls upon the footing that the same shall carry interest, such capital shall not, whilst carrying interest, confer a right, to dividend or to participate in profits.

Dividends in proportion to amount paid up

208. All dividends shall be apportioned and paid proportionately to the amounts paid or All dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the shares during any portion or portions of the period in respect of which the dividend is paid but if any share is issued on terms providing that it shall rank for dividends as from a particular date such share shall rank for dividend accordingly.

Retention of dividends until completion of transfer under Article 72

209. The Board of Directors' may retain the dividend payable upon shares in respect of which any person under Article 72 has become entitled to be a member, or any person under that Article is entitled to transfer, until such person becomes a member, in respect of such shares or shall duly transfer the same.

No member to receive dividend whilst indebted to the Company and the company's right of reimbursement thereof.

210. No member shall be entitled to receive payment of any interest or dividend or bonus in respect of his share or shares, whilst any money may be due or owing from him to the Company in respect of such share or shares (or otherwise however either alone or jointly with any other person or persons) and the Board of Directors may deduct from the interest or dividend to any member all such sums of money so due from him to the Company.

Effect of transfer of shares

211. A transfer of shares does not pass the right to any dividend declared thereon before the registration of the transfer.

Dividend to joint holder

212. Any one of several persons who are registered as joint holders of any share may give effectual receipts for all dividends or bonus and payments on accounts of dividends in respect of such share.

Dividend how remitted

213. The dividend payable in cash may be paid by Cheque or Warrant sent through Post direct to registered address of the shareholder entitled to the payment of the dividend or in case of joint holders to the registered address of that one of the joint-holders which is first named on the register of members or to such person and to such address as the holder or the joint-holder may in writing direct. The Company shall not be liable or responsible for any Cheque or Warrant or pay slip or receipt lost in transmission or for any dividend lost, to the member or person entitled thereto by forged endorsement of any Cheque or Warrant

or forged signature on any pay slip or receipt or the fraudulent recovery of the dividend by any other means.

Notice of dividend

214. Notice of the declaration of any dividend whether interim or otherwise shall be given to the registered holder of share in the manner herein provided.

Dividend to be paid within thirty days

215. The Company shall pay dividend or send the warrant in respect thereof to the shareholder entitled to the payment of dividend, within thirty days from the date of the declaration unless:

(1) (a) where the dividend could not be paid by reason of the operation of any law;

(b) where a shareholder has given directions regarding the payment of the dividend and those directions cannot be complied with;

(c) where there is a dispute regarding the right to receive the dividend;

(d) where the dividend has been lawfully adjusted by the Company against any sum due to it from the shareholder, or

(e) where for any other reason, the failure to pay the dividend or to post the warrant within the period aforesaid was not due to any default on the part of the Company.

Unclaimed Dividend

(2) (a) Where the dividend has been declared but not paid or the warrant in respect thereof has not been posted within 30 days from the date of the declaration to any shareholder entitled to the payment thereof, the Company shall within 7 days from the date of expiry of the said period of 30 days transfer the total amount of dividend which remains unpaid or in relation to which no dividend warrant has been posted within the said period of 30 days, to a Special Account to be opened by the Company in that behalf in any Scheduled Bank to be called 'Unpaid Dividend Account of Kolte-Patil Developers Limited."

(b) any money transferred to the Unpaid Dividend Account of the Company in pursuance of sub-clause (a) hereof which remains unpaid or unclaimed, for a period of seven years from the date of such transfer, shall be transferred by the Company to the Investor Education and Protection Fund of the Central Government.

(c) the Company shall when making any transfer as per sub-clause (b) hereof to the Investor Education and Protection Fund of the Central Government any unpaid or unclaimed dividend, furnish to such officer as the Central Government may appoint in this behalf a statement in the prescribed from setting forth in respect of all sums included in such transfer, the nature of the sums, the names and last known addresses of the persons entitled to receive the sum, the amount to which each person is entitled and the nature of particulars as may be prescribed.

No interest on dividend

216. No unpaid dividend shall bear interest as against the Company.

Unclaimed dividend

217. No unclaimed dividend shall be forfeited by the Board unless the claim thereto becomes barred by law and the Company shall comply with all the provisions of Section 205-A of the Companies Act, 1956 in respect of any unclaimed or unpaid dividend.

Dividend and call together

218. Any general meeting declaring a dividend may on the recommendations of the Directors make a call on the members of such amount as the meeting fixes but so that the call on each member shall not exceed the dividend payable to him, and so that the call be made payable at the time as the dividend; and the dividend may, if so arranged between the Company and members, be set off against the calls.

CAPITALISATION

Capitalisation

219. (1) The Company in General Meeting may, upon the recommendation of the Board, resolve:

(a) that it is desirable to capitalise any part of the amount for the time being standing to the credit of the Company's reserve accounts or to the credit of the Profit and Loss account or otherwise available for distribution; and

(b) that such sum be accordingly set free for distribution in the manner specified in Clause (2) amongst the members who would have been entitled thereto, if distributed by way of dividend and in the same proportions.

(2) The sum aforesaid shall not be paid in cash but shall be applied subject to the provision contained in clause (3) either in or towards:

(i) paying up any amount for time being unpaid on any shares held by such members respectively;

(ii) paying up in full unissued shares of the Company to be allocated and distributed, credited as fully paid up, to and amongst such members in the proportions aforesaid; or

(iii) partly in the way specified in sub-clause (i) and partly in that specified in sub-clause (ii).

(3) A share premium account and a Capital Redemption Reserve Account may, for the purposes of this regulation, only be applied in paying up of unissued share to be issued to members of the Company as fully paid bonus Shares.

The Board shall give effect to the resolution passed by the Company in pursuance of this regulation.

Fractional Certificates

220. (1) Whenever such a resolution as aforesaid shall have been passed, the board shall:

(a) make all appropriations and applications of the undivided profits resolved to be capitalised thereby, and all allotments and issues of fully paid shares, and

(b) generally do all acts and things required to give effect thereto.

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(2) The Board shall have full power :

(a) to make such provision, by the issue of fractional certificates or by payment in cash or otherwise as it thinks fit, in the case of shares becoming distributable in fractions; and also

(b) to authorise any person to enter, on behalf of all the members entitled thereto, into an agreement with the Company providing for the allotment to them respectively, credited as fully paid up, of any further shares to which they may be entitled upon such capitalisation, or (as the case may require) for the payment by the Company on their behalf, by the application thereto of their respective proportions of the profits resolved to be capitalised of the amounts or any part of the amounts remaining unpaid on their existing shares.

(3) Any agreement made under such authority shall be effective and binding on all such members.

(4) That for the purpose of giving effect to any resolution, under the preceding paragraph of this Article, the Directors may give such directions as may be necessary and settle any questions or difficulties that may arise in regard to any issue including distribution of new equity shares and fractional certificates as they think fit.

ACCOUNTS

Books to be kept.

221. (1) The Company shall keep at its registered office proper books of accounts as would give a true and fair view of the state of affairs of the Company or its transaction with respect to:

(a) all sums of money received and expended by the Company and the matters in respect of which the receipt and expenditure take place;

(b) all sales and purchases of goods by the Company; and

(c) the assets and liabilities of the Company.

Provided that or any of the books of accounts aforesaid may be kept at such other place in India as the Board of Directors may decide and when the Board of Directors so decides the Company shall within seven days of the decision file with the Registrar a notice in writing giving the full address of that other place.

(2) Where the Company has a branch office, whether in or outside India, the Company shall be deemed to have complied with the provisions of clause (1) if proper books of accounts relating to the transactions effected at the branch are kept at that office and proper summarised returns made up to date at intervals of not more than three months are sent by the branch office to the Company at its registered office or the other place referred to in sub-clause (1). The books of accounts and other books and papers shall be open to inspection by any Director during business hours.

Inspection by members

222. (a) The Directors shall from time to time determine whether and to what extent and at what times and places and under what conditions or regulations the accounts and books of the Company or any of them shall be open to the inspection of members not being Directors.

(b) No member (not being a Director) shall have any right of inspecting any accounts books or documents of the Company except as allowed by law or authorised by the Board or the Company in general meeting.

Statements of Accounts to be furnished to general meeting

223. The Board of Directors shall from time to time in accordance with Sections 210, 212 and 217 of the Act, cause to be prepared and laid before each annual general meeting a Profit and Loss Account for the financial year of the Company and a Balance Sheet made up as at the end of the financial year which shall be a date which shall not precede the day of the meeting by more than six months or such extended period as shall have been granted by the Registrar under the provisions of the Act.

Form and contents of Balance Sheet and Profit and Loss Account

224. (1) Every Balance Sheet of the Company shall give a true and fair view of the state of affairs of the Company as at the end of the financial year and subject to the provisions of Section 211 of the Act, be in the form set out in Part I of Schedule VI to the Act or as near thereto as circumstances admit or in such other form as may be approved by the Central Government either generally or in case of the Company and in preparing the Balance Sheet due regard shall be had, as far as may be, to the general instructions for preparation of Balance Sheet under the heading “NOTES” at the end of that part.

Every Profit and Loss Account of the Company shall give a true and fair view of the profit or loss of the Company for the financial year and shall comply with the requirements of Part II of Schedule VI to the Act, so far as they are applicable thereto.

Authentication of Balance Sheet and Profit and Loss Account

225. (1) Every Balance Sheet and every Profit and Loss Account of the Company shall be signed on behalf of the Directors by Manager or Secretary, if any, and by not less two Directors of the Company one of whom shall be a Managing Director where there is one PROVIDED that if there is only one Director present in India at the time, the Balance Sheet and the Profit and Loss Account shall be signed by such Director but in such a case there shall be sub-joined to the Balance Sheet and the Profit and Loss Account a Statement signed by such Director explaining the reason for non-compliance with the aforesaid provision requiring the signature of two Directors.

(2) The Balance Sheet and the Profit and Loss Account shall be approved by the Directors before they are signed on their behalf and before they are submitted to the auditors for their report thereon.

(3) The Profit and Loss Account shall be annexed to Balance Sheet and Auditor’s Report (including the Auditors’ separate, special or supplementary report, if any) shall be attached thereto.

Directors’ Report

226. (1) There shall be attached to every Balance Sheet laid before the Company in general meeting a report by its Directors with respect to :

(i) the state of the Company’s affairs;

(ii) the amounts, if any, which they propose to carry to any reserves in such Balance Sheet;

(iii) the amount, if any, which they recommend should be paid by way of dividend; and

(iv) the material changes and commitments, if any affecting the financial position of the Company which have occurred between the end of the financial year of the Company to which the Balance Sheet relates and the date of the Report.

(2) The Directors' Report shall, so far as is material for the appreciation of the state of the Company's affairs by its members and will not in the Directors opinion be harmful to the business of the Company or of any of its subsidiaries, if any, deal with any changes which have occurred during the financial year,

(a) in the nature of the Company's business;

(b) in the Company's subsidiaries, if any, or in the nature of the business carried on by them; and

(c) generally in the classes of business in which the Company has an interest.

(3) The Directors shall give the fullest information and explanation in the report aforesaid, or in cases falling under proviso to Section 222 of the Act in an addendum to the report on every reservation, qualification or adverse remark contained in the Auditor's Report.

(4) The Directors' Report and any addendum thereto shall be signed by its Chairman if he is authorised in that behalf by the Directors and where he is not so authorised, shall be signed by such number of Directors as are required to sign the Balance Sheet and the Profit and Loss Account of the Company by virtue of clause (1) of the preceding Article.

Right of members to copies of Balance Sheet and Auditor's Report

227. (1) A copy of every Balance Sheet (including the Profit and Loss Account, the Auditors' Report and every other document required by law to be annexed or attached, as the case may be, to the Balance Sheet) which is to be laid before the Company in general meeting shall not less than twenty-one days before the date of the meeting be sent to every member of the Company, to every trustee for the holders of any Debentures issued by the Company whether such member or trustee is or is not entitled to have notice/s of general meeting/s of the Company sent to him and to all persons other than such members or trustees, being persons so entitled provided that it shall not be necessary to send copies of the documents aforesaid-

(i) To a member or to holder of Debentures, of the Company, who is not entitled to have notices of general meetings of the Company sent to him and of whose address the Company is unaware.

(ii) To more than one of the joint holders of any shares or Debentures none of whom is entitled to have such notices sent to him.

(iii) In the case of joint holders of any shares or Debentures some of whom are not entitled to have such notices sent to them, to those who are not so entitled.

(iv) As long as the shares of the Company are listed on a recognized Stock Exchange, and if the copies of documents aforesaid are made available for inspection at the registered office the Company during working hours of the Company for a period of twenty-one days before the date of the meeting, a statement containing the salient features of such documents in the prescribed form or copies of the documents aforesaid, as the Company may deem fit, is sent to every member of the Company and to every Trustee for the holders of any Debentures issued by the Company not less than twenty-one days before the date of the meeting. Provided that if the copies of the documents aforesaid are sent less than twenty-one days before the date of the meeting, they shall notwithstanding that fact, be deemed to have been duly sent, if it is agreed by all the members entitled to vote at the meeting.

(2) Any member or holder of Debentures of the Company and any person from whom the Company has accepted a sum of money by way of deposit shall on demand be entitled to be furnished free of cost with a copy of the last Balance Sheet of the Company and of every document required by law to be annexed or attached thereto, including the Profit and Loss Account and the Auditors' Report.

Three copies of Balance Sheet etc. to be filled with Registrar

228. (1) The Company shall within thirty days from the date on which the Balance Sheet and Profit and Loss Account shall have been laid before the annual general meeting, file with the Registrar of Companies, three copies of the Balance Sheet and the Profit and Loss Account signed by the Managing Director, Manager or Secretary of the Company or if there be none of these, by a Director of the Company together with three copies of all documents which are required by the Act to be annexed or attached to such Balance Sheet or Profit and Loss Account.

(2) If any annual general meeting of the Company before which a Balance Sheet is laid as aforesaid does not adopt the Balance Sheet, a statement of that fact and of the reason therefor shall be annexed to the Balance Sheet and the copies thereof required to be filed with the Registrar of Companies.

AUDIT

Accounts to be audited

229. **Once at** least **in every year the accounts of the Company shall be balanced and audited and the correctness of the Profit and Loss Account and Balance Sheet ascertained by one or more Auditor or Auditors.**

Appointment of Auditors

230. (1) Auditors shall be appointed and their qualifications, rights and duties regulated in accordance with Sections 224 to 229 of the Act.

(2) The Company shall at each annual general meeting appoint an Auditor or Auditors to hold office from conclusion of that meeting until the conclusion of the next annual general meeting and shall within seven days of the appointment give intimation thereof to the Auditor so appointed unless he is a retiring Auditor.

(3) At any annual general meeting a Retiring Auditor, by whatsoever authority appointed shall be re-appointed unless:-

(a) he is not qualified for re-appointment ;

(b) he has given the Company notice in writing of his unwillingness to be re-appointed.;

(c) a resolution has been passed at that meeting appointing some-body instead of him or providing expressly that he shall not be re-appointed; or

(d) where notice has been given of an intended resolution to appoint some person or persons in the place of a retiring Auditor, and by reason of the death, incapacity or disqualification of that person or of all those persons, as the case may be, the Resolution cannot be proceeded with.

(4) Where at annual general meeting no Auditors are appointed or re-appointed, the Central Government may appoint a person to fill the vacancy.

(5) The Company shall, within seven days of the Central Government's power under the sub-clause (4) becoming exercisable give notice of that fact to that Government.

(6) The Directors may fill any casual vacancy in the office of Auditor, but while any such vacancy continues the surviving or continuing Auditor or Auditors (if any) may act but where such vacancy is caused by the resignation of an Auditor, that vacancy shall only be filled by the Company in general meeting.

(7) A person, other than a retiring auditor, shall not be capable of being appointed at an annual general meeting unless special notice of a resolution for appointment of that person to the office of Auditor has been given by a member to the Company not less than fourteen days before the meeting in accordance with Section 190 of the Act and the Company shall send a copy of any such notice to retiring Auditor and shall give notice thereof to the members in accordance with Section 190 of the Act and all other provisions of Section 225 the Act shall apply in the matter. The provisions of this sub-clause shall also apply to a resolution that retiring auditor shall not be re-appointed.

Account when audited and approved to be conclusive except as to errors discovered within three months

231. Every account when audited and approved by a general meeting shall be conclusive except as regards any error discovered therein within three months next after the approval thereof. Whenever any such error is discovered within that period, the account shall be corrected and thenceforth shall be conclusive.

DOCUMENTS AND NOTICES

Service of documents and notice on members by the Company

232. (1) A document or notice may be served by the Company on any member thereof either personally or by sending it by post to him at his registered address or if he has no registered address in India, to the address if any, within India supplied by him to the Company for serving documents or notice on him.

(2) Where a document or notice is sent by post:

(a) service thereof hall be deemed to be effected by properly addressing, prepaying and posting a letter containing the document or the notice provided that where a member has intimated to the Company in advance that documents should be sent to him under a certificate of posting or by registered post with or without acknowledgment due and has deposited with the Company a sum sufficient to defray the expenses or doing so service of the documents or notice shall not be deemed to be effected unless it is sent in the manner intimated by the member; and

(b) such service shall be deemed to have been effected :

(i) in the case of a notice of meeting at the expiration of forty-eight hours after the letter containing the same is posted; and

(ii) in any other case, at the time at which the letter would be delivered in the ordinary course of post.

(3) A document or notice advertised in a newspaper circulating in the neighborhood of the registered office of the Company shall be deemed to be duly served on the day on which the advertisement appears, on every member of the Company who has no registered address in India and has not supplied to the Company an address within India for the giving of notices to him.

(4) A document or notice may be served by the Company on the joint-holders of a share by serving it on the joint-holder named first in the Register in respect of the share.

(5) A document or notice may be served by the Company on the person entitled to a share in consequence of the death or insolvency of a member by sending it through the post in a prepaid letter, addressed to them by name or by title of representatives of the deceased, or assignees of the insolvent or by any like description, at the address, if any, in India supplied for the purpose by the person claiming to be so entitled, or until such an address has been so supplied, by serving the document or notice in any manner in which it might have been served if the death or insolvency had not occurred.

(6) The signature to any document or notice to be given by the Company may be written or printed or lithographed.

To whom documents must be served or given

233. Document or notice of every general meeting shall be served or given in same manner hereinbefore authorised on or to (a) every member, (b) every person entitled to a share in consequence of the death or insolvency of a member and (c) the auditor or auditors for the time being of the Company, PROVIDED that when the notice of the meeting is given by advertising the same in newspaper circulating in the neighbourhood of the office of the Company under Article 102 a statement of material facts referred to in Article 103 need not be annexed to the notice, as is required by that Article, but it shall merely be mentioned in the advertisement that the statement has been forwarded to the members of the Company.

Members bound by documents or notices served on or given to previous holders

234. Every person, who by operation of law, transfer or other means whatsoever, has become entitled to any share shall be bound by every document or notice in respect of such share, which prior to his name and address being entered on the Register of Members, shall have been duly served on or given to the person from whom he derived his title to such share.

Service of documents on Company

235. A document may be served on the Company or an officer thereof by sending it to the Company or officer at the registered office of the Company by post under certificate of posting or by registered post or by leaving it at its registered office.

Service of documents by Company on the Registrar of Companies

236. A document may be served on the Registrar of Companies by sending it to him at his office by post under certificate of posting or by Registered Post or by delivering it to or leaving it for him at his office.

Authentication of documents and proceedings

237. Save as otherwise expressly provided in the Act, a document or proceeding requiring authentication by the Company may be signed by a Director, the Manager or the Secretary or other authorised officer of the Company and need not be under the Common Seal of the Company.

REGISTERS AND DOCUMENTS

Register and documents to be maintained by the Company

238. The Company shall keep and maintain Registers, Books and Documents as required by the Act or these Articles, including the following: -

(1) Register of Investments made by the Company but not held in its own name, as required by Section 49(7) of the Act and shall keep it open for inspection of any member or debenture holder of the Company without charge.

(2) Register of Mortgages and charges as required by Section 143 of the Act and copies of instrument creating any charge requiring registration according to Section 125 of the Act and shall keep open for inspection of any creditor or member of the Company without fee and to the inspection of any person on payment of a fee of rupee one for each inspection.

(3) Register and Index of Members as required by Sections 150 and 151 of the Act and shall keep the same open for inspection of any member or debenture holder without fee and of any other person on payment of a fee of Rupee one for each inspection.

(4) Register and Index of Debenture Holders under Section 152 of the Act and keep it open to the inspection of any member or Debenture holder without fee and of any other person on payment of Rupee one for each inspection.

(5) Foreign Register, if so thought fit, as required by Section 157 of the Act and it shall be open to inspection and may be closed and extracts may be taken therefrom and copies thereof as may be required, in the manner, *mutatis mutandis* as is applicable to the principal Register.

(6) Register of Contracts, and companies and firms in which Directors are interested, as required by Section 301 of the Act, and shall keep it open for inspection of any member free of charge.

(7) Register of Directors and Secretary etc., as required by Section 303 of the Act and shall keep it open for inspection of any member of the Company without charge and of any other person on payment of a fee of Rupee one for each inspection.

(8) Register as to holdings by Directors of shares and/or debentures in the Company as required by Section 307 of the Act and shall keep it open for inspection of any member or debenture holder of the Company on any working day during the period beginning fourteen days before the date of the Company's annual general meeting and ending three days after the date of its conclusion.

(9) Register of investments made by the Company in shares and debentures of the bodies Corporate as required by Section 372 A of the Act.

(10) Books recording minutes of all proceedings of general meetings and all proceedings at meetings of its Board of Directors or of Committees of the Board in accordance with the provisions of Section 193 of the Act.

(11) Copies of Annual Returns prepared under Section 159 of the Act together with the copies of certificates and documents required to be annexed thereto under Section 161 of the Act.

(12) Register of loans as required by Section 372 A of the Act.

Inspection of registers

239. The Register mentioned in clauses 9 and 12 of the foregoing Article and the minutes of all proceedings of general meetings shall be open to inspection and extracts may be taken therefrom and copies thereof may be required by any member of the Company in the

same manner to the same extent and on payment of the same fees as in case of the Register of Members of the Company, as provided for in clause (3) hereof. Copies of entries in the Registers mentioned in the foregoing Article shall be furnished to the persons entitled to the same on payment of Rupee One for every hundred words or fractional part thereof required to be copied. The Company shall give inspection of the above Register to the persons entitled to the same on such days and during such business hours as may consistently with the provisions of the Act in that behalf be determined by the Company in general meeting.

WINDING UP

Distribution of Assets

240. If the Company shall be wound up, and the assets available for distribution among the members as such shall be insufficient to repay the whole of the paid up capital, such assets shall be distributed so that, as nearly as may be, the losses shall be borne by the members in the proportion to the capital paid up or which ought to have been paid up at the commencement of the winding up, on the shares held by them respectively, and if in a winding up the assets available for distribution among the members shall be more than sufficient to repay the whole of the capital paid up at the commencement of the winding up, the excess shall be distributed amongst the members in proportion to the capital at the commencement of the winding up, or which ought to have been paid up on the shares held by them respectively. But this Article is to be without prejudice to the rights of the holders of shares issued upon special terms and conditions.

Distribution in specie or kind

241. (1) If the Company shall be wound up, whether voluntarily or otherwise, the liquidator may, with the sanction of a special resolution, divide amongst the contributories in specie or kind, any part of assets of the Company and may, with the like sanction, vest any part of the assets of the Company in Trustees upon such trusts for the benefit of the contributories or any of them, as the Liquidator, with the sanction shall think fit.

(2) If thought expedient any such division may subject to the provisions. of the Act be otherwise than in accordance with the legal rights of the contributories (except where un-alterably fixed by the Memorandum of Association) and in particular, any class may be given preferential or special rights or may be excluded altogether or in part but in case any division otherwise than in accordance with the legal rights of the contributories shall be determined upon, any contributory who would be prejudiced thereby shall have a right to dissent and ancillary rights as if such determination were a special resolution passed pursuant to Section 494 of the Act.

(3) In case any shares to be divided as aforesaid involve a liability to calls or otherwise any person entitled under such division to any of the said shares may within ten days after the passing of the special resolution by notice in writing direct the Liquidator to sell his proportion and pay him the net proceeds and the Liquidator shall if practicable act accordingly.

Right of shareholders in case Sale

242. A special resolution sanctioning a sale to any other Company duly passed pursuant section 294 of the Act, may subject to the provisions of the Act in like manner as aforesaid determined that any shares or other consideration receivable by the Liquidator be distributed amongst the members otherwise than in accordance with their existing rights .and any such determination shall be binding upon all the members subject to the rights of dissent and consequential rights conferred by the said section.

INDEMNITY

Directors and others' rights to indemnity

243. Subject to the provisions of Section 201 of the Act, every Director, or Officer, or servant of the Company or any person (whether an officer of the Company or not) employed by the Company as auditor, shall be indemnified by the Company against and it shall be the duty of the Directors out of the funds of the Company to pay all costs, charges, losses and damages which any such person may incur or become liable to, by reason of any contract entered into or act or thing done, concurred in or omitted to be done by him in any way in or about the execution or discharge of his duties or supposed duties (except such if any as he shall incur or sustain through or .by his own wrongful act, neglect or default) including expenses, and in particular and so not to limit the generality of the foregoing provisions

against all liabilities incurred by him as such Director, Officer or Auditor or other Officer of the Company in defending any proceedings, whether civil or criminal in which judgement is given in his favour, or in which he is acquitted or in connection with any application under Section 633 of the Act in which relief is granted to him by the Court.

Director, officer not responsible for acts of others

244. Subject to the provisions of Section 201 of the Act, no Director, Auditor or other Officer of the Company shall be liable for the acts, receipts, neglects, or defaults of any other Director or Officer or for joining in any receipt or other act for conformity or for any loss or expenses happening to the Company through the insufficiency or deficiency of title to any property acquired by order of the Directors for or on behalf of the Company or for the insufficiency or deficiency of any security in or upon which any of the moneys of the Company shall be invested, or for any loss or damages arising from the insolvency or tortuous act of any person, firm or company to or with whom any moneys, securities or effects shall be entrusted or deposited or any loss occasioned by any error of judgement, omission, default or oversight on his part or for any other loss, damage, or misfortune whatever which shall happen in relation to execution of the duties of his office or in relation thereto unless the same shall happen through his own dishonesty.

SECRECY CLAUSE

Secrecy Clause

245. Every Director, Manager, Auditor, Treasurer, Trustee, Member of a Committee, Officer, Servant, Agent, Accountant or other person employed in the business of the Company shall, if so required, by the Director, before entering upon his duties, sign a declaration pledging himself to observe a strict secrecy respecting all transactions and affairs of the Company with the customers and the state of the accounts with individuals and in matter thereto and shall by such declaration pledge himself not to reveal any of the matters which may come to his knowledge in the discharge of his duties except when required to do so by the Directors or by law or by the person to whom such matters relate and except so far as may be necessary in order to comply with any of the provisions, in these presents contained.

No member to enter the premises of the Company without permission

246. No member or other person (not being a Director) shall be entitled to visit or inspect any property or premises of the Company without the permission of the Directors or Managing Director or to require discovery of or any information respecting any detail of the Company's trading, or any matter which is or may be in the nature of a trade secret, mystery of trade, secret process, or any other matter which may relate to the conduct of the business of the Company and which in the opinion of the Director, it would be inexpedient in the interest of the Company to disclose.

* * * * *

We, the several persons, whose names, addresses, are hereunder subscribed, below are desirous of being formed into a Company in pursuance of these Articles of Association, and we respectively agree to take number of shares in the capital of the Company set opposite our respective names.

Name, Address, Description and Occupation of each subscriber and his Signature	**No. of Shares taken by each subscriber**	**Name, Address, Description and Occupation of witness and his Signature**
1. Rajesh Anirudha Patil S/o. Shri Anurudha Vishwanath Patil, Age : 29, Residing at 172, Navi Peth, Jalgaon- 425 001. Occ.: Business	One Equity	Diwakar Bapurao Dahotre, Chartered Accountant 202, Mahadkar Chambers, Karve Road, Pune–411 029. S/o. Mr. Bapurao Bandopant Dahotre.
2. Milind Digambar Kolte S/o. Shri Digambar Ninu Kolte Age : 29, Residing at 172, Navi Peth, Jalgaon- 425 001. Occ.: Business	One Equity	
	Total Two Equity Shares	

Place : Jalgaon
Date : 27.7.1991

SECTION IX: OTHER INFORMATION

MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The following Contracts which are or may be deemed material have been entered or to be entered into by our Company. These Contracts, copies of which have been attached to the copy of this Red Herring Prospectus, delivered to the ROC for registration and also the documents for inspection referred to hereunder, may be inspected at the corporate office of our Company situated at 2nd Floor, City Point, Dhole Patil Road, Pune- 411001 from 10.00 a.m. to 4.00 p.m. on all working days from the date of this Red Herring Prospectus until the Bid / Issue Closing Date.

MATERIAL CONTRACTS

1. **Joint Venture Agreements**

   For the Company:

   a. Joint Venture Agreement dated February 23, 2006 between the Company and ICICI Venture Funds Management Co. Ltd.;

   b. Joint Venture Agreement dated October 6, 2006 between the Company and Regenesis Project Management Company Pvt. Ltd.;

   c. Joint Venture Agreement dated October 13, 2006 between the Company, Regenesis Project Management Company Pvt. Ltd.., ICICI Venture Funds Management Co. Ltd., Mr. Ishwarchand Kishorelal Goyal and Corolla Realty Pvt. Ltd.;

   d. Joint Venture Agreement dated April 20, 2007 between our Company, Mr. Rajesh Patil, K2 Property Limited, Kolte-Patil Real Estate Private Limited and Regenesis Project Management Company Private Limited.

   e. Memorandum of Understanding for the shareholder's agreement, dated April 13, 2006, between Mr. Milind Kolte and others (Kolte Patil group) and Mr. Harish Gurnani and others (the Gurnani Shivlani Group)

   f. Term Sheet dated September 7, 2007 between Kolte Patil Developers Limited ("KPDL") and Arora Holdings, UK ("Arora").

2. **Insurance Policy**

   Standard Fire and Special Perils Policy with Bajaj Allianz General Insurance Company Ltd. dated March 25, 2006 in respect of the Company's corporate office.

MATERIAL DOCUMENTS

1. Our Memorandum and Articles of Association as amended from time to time.
2. Our certificate of incorporation dated May 9, 1995.
3. Our certificates in relation to change of name.
4. Resolutions passed by Board of Directors / Shareholders in relation to this Issue.
5. DIPP letter dated 26th December 2006, clarifying that the guidelines notified under Press Note (2 of 2005 series) are applicable to investments made only under the FDI route and not under investments made by FIIs under Portfolio Investment Scheme framed under the FEMA Regultions and the letter dated June 22, 2007 of RBI ref. FE.CO.FID/29406/10.02.000/ 2006-07 clarifiying that FII can invest in this Issue under Portfolio Investment Scheme framed under the FEMA Regulations.
6. Eligibility certificate by the auditors M/s. SPCM & Associates, Chartered Accountants dated October 10, 2007 certifying the Company's eligibility for the issue under clause 2.2.1 of the SEBI Guidelines.
7. Resolutions approving the present terms of employment and remuneration between our Company and our Directors as approved by our Board and our Shareholders.
8. Report of the auditors M/s. SPCM & Associates, Chartered Accountants dated July 18, 2007 prepared as per Indian GAAP and mentioned in this Red Herring Prospectus.
9. 'Statement of Tax Benefits' dated October 10, 2007 prepared by our auditors M/s. SPCM & Associates, Chartered Accountants and mentioned in this Red Herring Prospectus.
10. Copies of annual reports of our Company for the years ended March 31, 2003, 2004, 2005, 2006 and 2007.

11. Consent of our auditors M/s. SPCM & Associates, Chartered Accountants, for inclusion of their report on accounts in the form and context in which they appear in this Red Herring Prospectus.
12. General Power of Attorney executed by the Directors of our Company in favour of person(s) for signing and making necessary changes to the Red Herring Prospectus and other related documents.
13. Consents of Promoters of the Company, Directors of the Company, Bankers to the Company, Book-Running Lead Managers to the Issue, Syndicate Member to the Issue, Underwriter to the Issue, Bankers to the Issue, Registrar to the Issue, Legal counsel to the Issue, Monitoring Agency to the Issue, Company Secretary and Compliance Officer, as referred to, in their respective capacities.
14. Tripartite Agreement between NSDL, our Company and the Registrar to the Issue dated March 12, 2007.
15. Tripartite Agreement between CDSL, our Company and the Registrar to the Issue dated April 2, 2007.
16. Due diligence certificate dated February 5, 2007 to SEBI from the BRLMs.
17. Letter of application dated February 28, 2007 submitted to BSE.
18. Letter of application dated March 01, 2007 submitted to NSE.
19. In-principle approval letter no. DCS/IPO/NP/IPO-IP/0089/2007-08 from BSE dated April 16, 2007.
20. In-principle approval letter no NSE/LIST/43563-Q from NSE dated April 5, 2007.
21. SEBI observation letter no. CFD/DIL/ISSUES/MKS/03055/2007 dated September 4, 2007.
22. Consent of Crisil to include research information obtained from them in this RHP.

Any of the contracts or documents mentioned in this Prospectus may be amended or modified at any time if so required in the interest of the Company or if required by the other parties, without reference to the shareholders subject to compliance of the provisions contained in the Companies Act and other relevant statutes.

DECLARATION

All the relevant provisions of the Companies Act, and the guidelines issued by the Government of India or the guidelines issued by the Securities and Exchange Board of India, established under Section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Red Herring Prospectus is contrary to the provisions of the Companies Act, 1956, the Securities and Exchange Board of India Act, 1992 or rules made there under or guidelines issued, as the case may be. We further certify that all the statements in this Red Herring Prospectus are true and correct.

SIGNED BY ALL THE DIRECTORS

Mr. Rajesh Patil - Chairman and Managing Director

Mr. Naresh Patil - Joint Managing Director

Mr. Milind Kolte – Executive Director

Mrs. Sunita Kolte - Executive Director

Mr. Achyut Watve - Director

Mr. Satish Tandon - Director

Mr. G.L. Vishwanath - Director

Mr. Manish Doshi – Director

SIGNED BY GROUP CHIEF EXECUTIVE OFFICER AND GROUP CHIEF FINANCIAL OFFICER

Mr. Hardeep Dayal - Group Chief Executive Officer

Mr. Girish Lakhe - Group Chief Financial Officer

Place: Mumbai

Date: November 05, 2007

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