DRAFT RED HERRING PROSPECTUS
Dated July 12, 2010
Please read Sections 60 and 60B of the Companies Act, 1956
The Draft Red Herring Prospectus will be updated upon filing with the RoC
100% Book Building Issue

Embassy Property Developments Limited

Our Company commenced operations as a partnership firm constituted under the Indian Partnership Act, 1932 on January 18, 1993 under the name and style of Virwani Builders. Pursuant to a deed of co-partnery dated July 26, 1996, the firm was registered as a private limited company under Part IX of the Companies Act, 1956, on July 30, 1996 with the name Virwani Builders Private Limited and was allotted company identification number U85110KA1996PTC020897. Pursuant to a scheme of amalgamation, erstwhile Dynasty Developers Private Limited was merged with our Company with effect from April 1, 2000 and consequently our name was changed to Dynasty Developers Private Limited. Our name was further changed to Embassy Property Developments Private Limited pursuant to a certificate of change of name dated April 1, 2010. Our Company was converted into a public limited company on May 25, 2010 with the name Embassy Property Developments Limited and was allotted a company identification number of U85110KA1996PLC020897. For details of changes in our erstwhile partnership, restructuring of our Company and change in our registered office, see "History and Corporate Structure" on page 202.

Registered Office: First Floor, Embassy Point, 150, Infantry Road, Bangalore 560 001, Karnataka, India. **Tel**: (91 80) 4179 9999; **Fax**: (91 80) 2228 6912
Company Secretary and Compliance Officer: J. Veerraju; Website: www.embassyindia.com; Email: cs@embassyindia.com.

PROMOTERS: JITENDRA VIRWANI, JV HOLDING PRIVATE LIMITED AND JV FAMILY TRUST.

PUBLIC ISSUE OF [●] EQUITY SHARES OF Rs. 10 EACH OF EMBASSY PROPERTY DEVELOPMENTS LIMITED (THE "COMPANY" OR THE "ISSUER") FOR CASH AT A PRICE OF Rs. [●] PER EQUITY SHARE (INCLUDING A SHARE PREMIUM OF Rs. [●] PER EQUITY SHARE) AGGREGATING TO RS. 24,000 MILLION (THE "ISSUE"). THE ISSUE WILL CONSTITUTE [●]% OF THE FULLY DILUTED POST ISSUE PAID-UP SHARE CAPITAL OF THE COMPANY.

*Our Company is considering a Pre-IPO Placement of up to 57,500,000 Equity Shares and/or aggregating upto Rs. 11,750,000,000 with certain investors ("**Pre-IPO Placement**"). The Pre-IPO Placement is at the discretion of our Company and at a price to be decided by our Company. Our Company will complete the issuance and allotment of such Equity Shares, if any, prior to the filing of the Red Herring Prospectus with the RoC. If the Pre-IPO Placement is completed, the Issue size would be reduced by the extent of such Pre-IPO Placement, subject to a minimum Issue size of 10% of the post-Issue paid-up equity share capital being offered to the public.*

PRICE BAND: RS. [●] TO RS. [●] PER EQUITY SHARE OF FACE VALUE RS. 10 EACH. THE FACE VALUE OF THE EQUITY SHARES IS Rs. 10.# THE FLOOR PRICE IS [●] TIMES THE FACE VALUE AND THE CAP PRICE IS [●] TIMES THE FACE VALUE.

*#A discount of five percent to the Issue Price determined pursuant to completion of the Book Building Process has been offered to Retail Individual Bidders (the "**Retail Discount**").*

In case of a revision in the Price Band, the Bidding/Issue Period will be extended for three additional Working Days after revision of the Price Band, subject to the Bidding/Issue Period not exceeding ten Working Days. Any revision in the Price Band and the revised Bidding/Issue Period, if applicable, will be widely disseminated by notification to the Bombay Stock Exchange Limited ("**BSE**") and the National Stock Exchange of India Limited ("**NSE**"), by issuing a press release, and also by indicating the change on the websites of the Joint Global Co-ordinators and Book Running Lead Managers ("**JGCBRLMs**") and the Book Running Lead Managers ("**BRLMs**") and at the terminals of the other members of the Syndicate.

In terms of Rule 19(2)(b) of the Securities Contracts (Regulation) Rules, 1957, and the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009, this Issue is being made through the 100% Book Building Process and for less than 25% of the post Issue paid-up equity capital wherein not more than 50% of the Issue will be allocated on a proportionate basis to Qualified Institutional Buyers ("QIBs"), ("QIB Portion"). Provided that our Company may allocate up to 30% of the QIB Portion, to Anchor Investors, on a discretionary basis ("Anchor Investor Portion"). For details, see "Issue Procedure" on page 586. Further 5% of the QIB Portion less Anchor Investor Portion shall be available for allocation on a proportionate basis to Mutual Funds only. The remainder shall be available for allocation on a proportionate basis to QIBs and Mutual Funds, subject to valid Bids being received from them at or above the Issue Price. If at least 50% of the Issue cannot be Alloted to QIBs, then the entire application money will be refunded forthwith. Further, not less than 15% of the Issue will be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 35% of the Issue will be available for allocation on a proportionate basis to Retail Individual Bidders, subject to valid Bids being received at or above the Issue Price. Specific attention of the investors is invited to the statement of "Risk Factors" on page xiv.

RISK IN RELATION TO THE FIRST ISSUE

This being the first issue of the Issuer, there has been no formal market for the Equity Shares of the Issuer. The face value of the Equity Shares is Rs. 10 and the Floor Price is [●] times of the Face Value. The Issue Price (has been determined and justified by the lead merchant banker and the Issuer as stated under the paragraph on "Basis for Issue Price") should not be taken to be indicative of the market price of the specified securities after the specified securities are listed. No assurance can be given regarding an active or sustained trading in the Equity Shares of the Issuer or regarding the price at which the Equity Shares will be traded after listing.

IPO GRADING

This Issue has been graded by CRISIL as [●], indicating [●]. The IPO Grading is assigned on a five point scale from one to five, with IPO Grade 5/5 indicating strong fundamentals and IPO Grade 1/5 indicating poor fundamentals. For details, see "General Information" on page 29.

GENERAL RISKS

Investments in equity and equity-related securities involve a degree of risk and investors should not invest any funds in this Issue unless they can afford to take the risk of losing their investment. Investors are advised to read the risk factors carefully before taking an investment decision in this Issue. For taking an investment decision, investors must rely on their own examination of the Issuer and the Issue including the risks involved. The Equity Shares offered in the Issue have not been recommended or approved by the Securities and Exchange Board of India ("**SEBI**"), nor does SEBI guarantee the accuracy or adequacy of this Draft Red Herring Prospectus. Specific attention of the investors is invited to the statement of "Risk Factors" on page xiv.

ISSUER'S ABSOLUTE RESPONSIBILITY

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

LISTING ARRANGEMENT

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

JOINT GLOBAL CO-ORDINATORS AND BOOK RUNNING LEAD MANAGERS		BOOK RUNNING LEAD MANAGERS		REGISTRAR TO THE ISSUE
UBS Securities India Private Limited 2/F, 2 North Avenue, Maker Maxity Bandra-Kurla Complex, Bandra (E) Mumbai 400 051, Maharashtra, India Tel: (91 22) 6155 6000 Fax: (91 22) 6155 6292 Email: embassyipo@ubs.com Investor Grievance Email: customercare@ubs.com Website:www.ibb.ubs.com/Corporates/indianipo Contact Person: Kishore Gam Taid SEBI Registration No.: INM000010809	**Nomura Financial Advisory and Securities (India) Private Limited** Ceejay House, Level 11 Dr. Annie Besant Road, Worli Mumbai 400 018, Maharashtra, India Tel: (91 22) 4037 4037 Fax: (91 22) 4037 4111 Email: embassy.ipo-in@nomura.com Investor Grievance Email: investorgrievances-in@nomura.com Website: www.nomura.com/asia/services/capital_raising/equity.shtml Contact Person: Sharat Singhee SEBI Registration No: INM000011419	**Citigroup Global Markets India Private Limited** 12th Floor, Bakhtawar Nariman Point Mumbai 400 021, Maharashtra, India Tel: (91 22) 6631 9890 Fax: (91 22) 6646 6056 E-mail: embassy.ipo@citi.com Investor Grievance Email: investors.cgmib@citi.com Website: http://www.online.citibank.co.in/rhtm/citigroupglobalscreen1.htm Contact Person: Rajiv Jumani SEBI Registration No.: INM000010718	**Edelweiss Capital Limited** 14th Floor, Express Towers Nariman Point Mumbai 400 021, Maharashtra, India Tel: (91 22) 4086 3535 Fax: (91 22) 4086 3610 E-mail: embassy.ipo@edelcap.com Investor Grievance E-mail: customerservice.mb@edelcap.com Website: www.edelcap.com Contact Person: Chitrang Gandhi SEBI Registration No.: INM0000010650	**Karvy Computershare Private Limited** Plot Nos. 17-24 Vittal Rao Nagar, Madhapur Hyderabad 500 081, Andhra Pradesh India Tel: (91 40) 4465 5000 Fax: (91 40) 2343 1551 Email: embassy.ipo@karvy.com Website: www.karvycomputershare.com Contact Person: Murali Krishna SEBI Registration No: INR000000221

BID/ISSUE PROGRAMME

BID/ISSUE OPENS ON	**[●]**	**BID/ISSUE CLOSES ON:**	**FOR QIB BIDDERS [●]**
			FOR RETAIL AND NON-INSTITUTIONAL BIDDERS: [●]

CMYK • IMPACT

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SECTION I – GENERAL

DEFINITIONS AND ABBREVIATIONS

Unless the context otherwise indicates or implies, the following terms have the following meanings in this Draft Red Herring Prospectus, and references to any statute or regulations or policies shall include amendments thereto, from time to time:

Term	Description
"We", or "us", or "our"	Unless the context otherwise requires, refers to Embassy Property Developments Limited and its Subsidiaries on a consolidated basis, and with exclusive reference to "Risk Factors" shall refer to Embassy Property Developments Limited, its Subsidiaries, Associates on a consolidated basis
"Embassy Property Developments", "Issuer", "the Company", "our Company" or "EPDL"	Embassy Property Developments Limited, a public limited company incorporated under the Companies Act having its registered office at First Floor, Embassy Point, 150, Infantry Road, Bangalore 560 001, Karnataka, India.

Company Related Terms

Term	Description
Area Leased	The portion of our Economic Interest which has been leased
Area Sold	The portion of our Economic Interest which has been sold
Articles/Articles of Association	The articles of association of our Company
Associates	Associates shall mean: 1. DM Estates Private Limited 2. DSRK Holdings Private Limited 3. Embassy Real Estates Properties and Holdings Private Limited 4. G.V. Properties Private Limited 5. Golf Links Software Park Private Limited 6. Kingsway Dynasty International 7. Manyata Promoters Private Limited 8. MK Embassy Land Sdn Bhd 9. MKE Land Private Limited 10. MKN Embassy Development Sdn Bhd 11. RGE Constructions and Development Private Limited 12. Span Ventures Private Limited 13. Star Pyramid 14. Trafalgar Estate & Properties Private Limited 15. Umbel Properties Private Limited 16. Embassy – ANL Consortium 17. Magrath Property Developers 18. Swire Properties 19. Worldlodge Limited
Auditors	The statutory auditors of our Company, BSR and Co., Chartered Accountants
Audit Committee	The committee of the Board of Directors constituted as our Company's Audit Committee in accordance with Clause 49 of the Listing Agreement to be entered into with the Stock Exchanges
Board of Directors/Board	The board of directors of our Company or a committee duly constituted thereof
Commercial and Retail Completed Project Vacancy Rate	means the vacancy rate derived by dividing (i) the difference of (a) the total Gross Leasable Area in the commercial and retail Completed Projects where the Company, along with its Subsidiaries and Associates, continue to hold and interest (the "Retained Completed Projects") and (b) the portion of such Gross Leasable Area of the Retained Completed Projects which has been leased by (ii) the total Gross Leasable Area of such Retained Completed Projects
Company's Vacancy Rate	means the vacancy rate derived by dividing (i) the difference of (a) our total Economic Interest in the commercial and retail Completed Projects where the Company, along with its Subsidiaries and Associates, continue to hold and interest (the "Retained Completed Projects") and (b) the Area Leased of such

Term	Description
	Retained Completed Projects by (ii) our total Economic Interest in such Retained Completed Projects
Completed Projects	Projects which have been completed by our Company and/or our Subsidiaries/Associate entities, as described in the section titled "Our Business", beginning on page 120
Developable Area	The total area which we develop in each property, and includes carpet area, common area, service and storage area, as well as other open area, including car parking.
Economic Interest	The part of the Gross Leasable Area or Gross Saleable Area, as applicable, in which we have an economic interest
Effective Interest	The interest derived by dividing our Economic Interest by Gross Leasable Area or Gross Saleable Area, as applicable.
Gross Leasable Area	The Developable Area less any area which cannot generate rental income
Gross Saleable Area	The Developable Area less any area which cannot generate sale income
Group Entities/Group Companies	Includes those companies, firms, ventures, etc. promoted by the Promoters, irrespective of whether such entities are covered under section 370 (1)(B) of the Companies Act, and as enumerated in the section titled "Group Entities", beginning on page 241
Investor Grievance Committee	The committee of the Board of Directors constituted as our Company's Investor Grievance Committee in accordance with Clause 49 of the Listing Agreement to be entered into with the Stock Exchanges
Key Management Personnel	The officers vested with executive powers and the officers at the level immediately below the Board of Directors and other persons whom our Company has declared as a key management personnel, and as enumerated in the section titled "Our Management", beginning on page 221
Land Reserves	Lands to which our Company/our Subsidiaries or our Associate entities in which we have a stake have title or sole development rights or joint development rights or other interests in the lands, and also include lands from which our Company can derive economic benefits through a documented framework or lands in relation to which our Company/our Subsidiaries or our Associate entities in which we have a stake have executed a joint development agreement or an MOU to enter into a joint development agreement or an agreement to sell
Listing Agreement	Listing agreement to be entered into between our Company and the Stock Exchanges
Memorandum/ Memorandum of Association	The memorandum of association of our Company
Occupancy Certificates	A certificate evidencing the completion of a building as per the approved plan and in compliance with applicable laws
Ongoing Projects	Projects in respect of which we own the land or development rights (including through a joint venture), the requisite approvals for the commencement of construction required under law have been applied for and all internal development plans are in place, as described in the section titled "Our Business", beginning on page 120
Promoter(s)	Jitendra Virwani, JV Holding Private Limited and JV Family Trust
Promoter Group	Includes such persons and entities constituting our promoter group pursuant to Regulation 2 (1)(zb) of the SEBI ICDR Regulations
Proposed Projects	Projects in respect of which we have acquired an interest in land or development rights (including through a joint venture), begun the process of procuring all requisite approvals under law and commenced with development planning, as described in the section titled "Our Business", beginning on page 120
Registered Office	The registered office of our Company situated at First Floor, Embassy Point, 150, Infantry Road, Bangalore 560 001, Karnataka, India
Subsidiaries/ Subsidiary	1. Blue Lagoon Real Estate Private Limited 2. Dynasty Business Parks Sdn Bhd 3. Dynasty International 4. Embassy Group International 5. Embassy Group International (Singapore) Private Limited 6. Neptune Real Estate Private Limited 7. Star Dreams

Term	Description
	8. Worldcrown Limited 9. Worldscope Limited 10. Concord India Private Limited 11. Embassy Projects Private Limited 12. Embassy Techzones d.o.o. Beograd 13. Nam Estates Private Limited 14. Pune Dynasty Projects Private Limited 15. Pune Embassy Projects Private Limited 16. Saphire Realtors Private Limited 17. Swire Investments Private Limited
Vacancy Rates	Area Leased divided by the Gross Leasable Area

Issue Related Terms

Term	Description
Allotment/Allot/Allotted	Unless the context otherwise requires, the allotment of Equity Shares pursuant to the Issue
Allottee	A successful Bidder to whom the Equity Shares are Allotted
Anchor Investor	A Qualified Institutional Buyer, applying under the Anchor Investor category, who has Bid for Equity Shares amounting to at least Rs. 100.00 million
Anchor Investor Bid/Issue Period	The date one day prior to the Bid/Issue Opening Date on which bidding by Anchor Investors shall open and shall be completed
Anchor Investor Bidding Date	The date one day prior to the Bid Opening Date, prior to or after which the Syndicate will not accept any Bids from Anchor Investors
Anchor Investor Issue Price	The final price at which Equity Shares will be issued and Allotted in terms of the Red Herring Prospectus and the Prospectus to the Anchor Investors, which will be a price equal to or higher than the Issue Price but not higher than the Cap Price. The Anchor Investor Issue Price will be decided by our Company in consultation with the JGCBRLMs and the BRLMs prior to the Bid Opening Date
Anchor Investor Portion	Up to 30% of the QIB Portion which may be allocated by our Company to Anchor Investors on a discretionary basis. One-third of the Anchor Investor Portion shall be reserved for domestic mutual funds, subject to valid Bids being received from domestic mutual funds at or above the price at which allocation is being done to Anchor Investors
Application Supported by Blocked Amount/ ASBA	An application, whether physical or electronic, used by a Bidder to make a Bid authorizing an SCSB to block the Bid Amount in their ASBA Account
ASBA Account	Account maintained by an ASBA Bidder with a SCSB which will be blocked by such SCSB to the extent of the Bid Amount of the ASBA Bidder
ASBA Bidder	Any Bidder who intends to apply through ASBA
ASBA Bid cum Application Form or ASBA BCAF	The form, whether physical or electronic, used by an ASBA Bidder to make a Bid, which will be considered as the application for Allotment for the purposes of the Red Herring Prospectus and the Prospectus
ASBA Revision Form	The form used by the ASBA Bidders to modify the quantity of Equity Shares or the Bid Amount in any of their ASBA Bid cum Application Forms or any previous revision form(s)
Banker(s) to the Issue/Escrow Collection Bank(s)	The banks which are clearing members and registered with SEBI as Banker to the Issue with whom the Escrow Account will be opened, in this case being [●]
Basis of Allotment	The basis on which Equity Shares will be Allotted to Bidders under the Issue and which is described in "Issue Procedure – Basis of Allotment" on page 609
Bid	An indication to make an offer during the Bidding/Issue Period by a Bidder (including an ASBA Bidder), or on the Anchor Investor Bidding Date by an Anchor Investor, pursuant to submission of a Bid cum Application Form to subscribe to our 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
Bid /Issue Closing Date	The date after which the Syndicate will not accept any Bids for the Issue, which shall be notified in [●] edition of [●] an English national daily newspaper, [●]

Term	Description
	edition of [●], a Hindi national daily newspaper and [●] edition of [●], a Kannada newspaper, each with wide circulation
Bid /Issue Opening Date	The date on which the Syndicate shall start accepting Bids for the Issue, which shall be the date notified in [●] edition of [●] an English national newspaper and [●] edition of [●] a Hindi national newspaper and [●] edition of [●] a Kannada newspaper, each with wide circulation
Bid cum Application Form	The form used by a Bidder to make a Bid and which will be considered as the application for Allotment for the purposes of the Red Herring Prospectus and the Prospectus including the ASBA Bid cum Application as may be applicable
Bidder	Any prospective investor who makes a Bid pursuant to the terms of the Draft Red Herring Prospectus and the Bid cum Application Form, including an ASBA Bidder and Anchor Investor
Bidding/Issue Period	The period between the Bid/Issue Opening Date and the Bid/Issue Closing Date inclusive of both days and during which prospective Bidders can submit their Bids
Book Building Process/Method	Book building process as provided in Schedule XI of the SEBI ICDR Regulations, in terms of which this Issue is being made
BRLMs/ Book Running Lead Managers	Book Running Lead Managers to the Issue, in this case being Citigroup Global Markets India Private Limited and Edelweiss Capital Limited
Issue Agreement	The agreement entered into between our Company, the JGCBRLMs and the BRLMs on July 12, 2010, pursuant to which certain arrangements are agreed to in relation to the Issue
CAN/Confirmation of Allotment Notice	Except in relation to Anchor Investors, the note or advice or intimation of Allotment of Equity Shares sent to the successful Bidders who have been Allotted Equity Shares after discovery of the Issue Price in accordance with the Book Building Process, including any revisions thereof In relation to Anchor Investors, the note or advice or intimation of Allotment of Equity Shares sent to the successful Anchor Investors who have been Allotted Equity Shares after discovery of the Anchor Investor Issue Price, including any revisions thereof
Cap Price	The higher end of the Price Band, above which the Issue Price will not be finalised and above which no Bids will be accepted, including any revisions thereof
Citi	Citigroup Global Markets India Private Limited, having its office at 12th floor, Bakhtawar, Nariman Point, Mumbai 400 021, Maharashtra, India
Controlling Branches	Such branches of the SCSB which coordinates with the JGCBRLMs, the BRLMs, the Registrar to the Issue and the Stock Exchanges, a list of which is provided on http://www.sebi.gov.in/pmd/scsb.pdf
Cut-off Price	Issue Price, (net of Retail Discount as applicable to be adjusted), finalised by our Company in consultation with the JGCBRLMs and the BRLMs. Only Retail Individual Bidders whose Bid Amount does not exceed Rs. 100,000.00. QIBs and Non-Institutional Bidders are not entitled to Bid at the Cut-off Price
Demographic Details	Demographic details of the ASBA Bidders obtained by Registrar to the Issue from the Depository including address, Bidders bank account, MICR code and occupation details
Designated Branches	Such branches of the SCSBs which shall collect the ASBA Bid cum Application Form used by ASBA Bidders and a list of which is available on http://www.sebi.gov.in/pmd/scsb.pdf
Designated Date	The date on which funds are transferred from the Escrow Account to the Public Issue Account and the amount blocked by the SCSB is transferred from the bank account of the ASBA Bidder to the Public Issue Account, as the case may be, after the Prospectus is filed with the RoC, following which the Board of Directors shall Allot Equity Shares to successful Bidders
Designated Stock Exchange	[●]
Draft Red Herring Prospectus	This Draft Red Herring Prospectus issued in accordance with Section 60B of the Companies Act, which does not contain complete particulars of the price at which the Equity Shares are issued and the size (in terms of value) of the Issue
Edelweiss	Edelweiss Capital Limited, having its office at 14th Floor, Express Towers, Nariman Point, Mumbai 400 021, Maharashtra, India
Eligible NRI	NRIs from jurisdictions outside India where it is not unlawful to make an issue or invitation under the Issue and in relation to whom the Draft Red Herring Prospectus constitutes an invitation to subscribe to the Equity Shares Allotted

Term	Description
	herein
Equity Shares	Equity shares of our Company having a face value of Rs. 10 each, unless otherwise specified
Escrow Account	Account opened with the Escrow Collection Bank(s) for the Issue and in whose favour the Bidder (excluding the ASBA Bidders) will issue cheques or drafts in respect of the Bid Amount when submitting a Bid
Escrow Agreement	Agreement to be entered into by our Company, the Registrar to the Issue, the JGCBRLMs, the BRLMs, the Syndicate Members and the Escrow Collection Bank(s) for collection of the Bid Amounts and where applicable, refunds of the amounts collected to the Bidders (excluding the ASBA Bidders) on the terms and conditions thereof
First Bidder	The Bidder whose name appears first in the Bid cum Application Form or Revision Form or the ASBA Bid cum Application Form
Floor Price	The lower end of the Price Band, at or above which the Issue Price will be finalised and below which no Bids will be accepted
JGCBRLMs/ Joint Global Co-ordinators and Book Running Lead Managers	Joint Global Co-ordinators and Book Running Lead Managers to the Issue, in this case being UBS Securities India Private Limited and Nomura Financial Advisory and Securities (India) Private Limited
Gross Proceeds	The gross proceeds of the Issue of Rs. [●]
IPO Grading Agency	Credit Rating Information Services of India Limited
Issue	Public issue of [●] Equity Shares each of our Company for cash at a price of Rs. [●] per Equity Share aggregating to Rs. 24,000 million. Our Company is considering a Pre-IPO Placement. If the Pre-IPO Placement is completed, the Issue size offered to the public would be reduced by the extent of such Pre-IPO Placement, subject to a minimum Issue size of 10% of the post Issue paid-up equity capital.
Issue Price	The final price at which Equity Shares will be issued and allotted in terms of the Red Herring Prospectus. The Issue Price will be decided by our Company in consultation with the JGCBRLMs and the BRLMs on the Pricing Date
Issue Proceeds	The proceeds of the Issue that are available to our Company
Monitoring Agency	[●]
Mutual Fund Portion	5% of the QIB Portion or [●] Equity Shares available for allocation to Mutual Funds only, out of the QIB Portion
Mutual Funds	A mutual fund registered with SEBI under the SEBI (Mutual Funds) Regulations, 1996
Net Proceeds	The Issue Proceeds less the Issue expenses. For further information about use of the Issue Proceeds and the Issue expenses see "Objects of the Issue" on page 46
Nomura	Nomura Financial Advisory and Securities (India) Private Limited having its office at Ceejay House, Level 11, Dr. Annie Besant Road, Worli, Mumbai 400 018, Maharashtra, India
Non-Institutional Bidders	All Bidders that are not QIBs or Retail Individual Bidders and who have Bid for Equity Shares for an amount more than Rs. 100,000.00 (but not including NRIs other than eligible NRIs)
Non-Institutional Portion	The portion of the Issue being not less than [●] Equity Shares available for allocation to Non-Institutional Bidders
Net QIB Portion	The portion of the QIB Portion less the number of Equity Shares Allotted to the Anchor Investors, being a minimum of [●] Equity Shares to be Allotted to QIBs on a proportionate basis
Non-Resident	A person resident outside India, as defined under FEMA and includes a Non Resident Indian
Pre-IPO Placement	A Pre-IPO Placement of 57,500,000 Equity Shares and/or aggregating up to Rs. 11,750,000,000 with certain investors is being considered by our Company and will be completed prior to the filing of the Red Herring Prospectus with the RoC
Price Band	Price Band of a minimum price of Rs. [●] (Floor Price) and the maximum price of Rs. [●] (Cap Price) and includes revisions thereof. The price band will be decided by our Company in consultation with the JGCBRLMs and the BRLMs and advertised at least two (2) Working Days prior to the Bid/Issue Opening Date in [●] edition of [●] an English national daily newspaper, [●] edition of [●], a Hindi national daily newspaper and [●] edition of [●], a Kannada newspaper, each with wide circulation

Term	Description
Pricing Date	The date on which our Company in consultation with the JGCBRLMs and the BRLMs, finalizes the Issue Price
Prospectus	The Prospectus to be filed with the RoC in accordance with Section 60 of the Companies Act, containing, inter alia, the Issue Price that is determined at the end of the Book Building Process, the size of the Issue and certain other information
Public Issue Account	Account opened with the Bankers to the Issue to receive monies from the Escrow Account and the bank account of the ASBA Bidders, on the Designated Date
QIB Portion	The portion of the Issue being at least [●] Equity Shares to be Allotted to QIBs
Qualified Institutional Buyers or QIBs	Public financial institutions as specified in Section 4A of the Companies Act, scheduled commercial banks, mutual fund registered with SEBI, FIIs and sub-account registered with SEBI, other than which is a foreign corporate or foreign individual, venture capital fund registered with SEBI, state industrial development corporation, insurance company registered with IRDA, provident fund with minimum corpus of Rs.250 million, pension fund with minimum corpus of Rs.250 million and National Investment Fund set up by Government of India and insurance funds set up and managed by army, navy or air force of the Union of India. Foreign Venture Capital Investors registered with SEBI and multilateral and bilateral financial institutions are not eligible to participate in the Issue
Red Herring Prospectus or RHP	The Red Herring Prospectus issued in accordance with Section 60B of the Companies Act, which does not have complete particulars of the price at which the Equity Shares are offered and the size of the Issue. The Red Herring Prospectus will be filed with the RoC at least three (3) days before the Bid Opening Date and will become a Prospectus upon filing with the RoC after the Pricing Date
Refund Account(s)	The account opened with the Escrow Collection Bank(s), from which refunds, if any, of the whole or part of the Bid Amount (excluding to the ASBA Bidder) shall be made
Refund Banker(s)	[●]
Refunds through electronic transfer of funds	Refunds through ECS, Direct Credit, NEFT, RTGS or the ASBA process, as applicable
Registrar/Registrar to the Issue	Karvy Computershare Private Limited having its office at Plot Nos. 17-24, Vittal Rao Nagar, Madhapur, Hyderabad 500 081
Resident Retail Individual Investor or Resident Retail Individual Bidder	Retail Individual Bidder who is a person resident in India as defined under FEMA and who has not Bid for Equity Shares for an amount more than Rs. 100,000 in any of the bidding options in the Issue
Retail Discount	The discount of five percent to the Issue Price determined pursuant to the Book Building Process which is offered to Retail Individual Bidders
Retail Individual Bidder(s)	Individual Bidders (including HUFs applying through their karta, Eligible NRIs and Resident Retail Individual Bidders) who have not Bid for Equity Shares for an amount more than Rs. 100,000 in any of the bidding options in the Issue
Retail Portion	The portion of the Issue being not less than [●] Equity Shares 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)
SEBI FII Regulations	SEBI (Foreign Institutional Investors) Regulations 1995, as amended
SEBI ICDR Regulations	SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended
SEBI VCF Regulations	SEBI (Venture Capital Funds) Regulations, 1996
Self Certified Syndicate Bank or SCSB	The Banks which are registered with SEBI under SEBI (Bankers to an Issue) Regulations, 1994 and offers services of ASBA, including blocking of bank account and a list of which is available on http://www.sebi.gov.in
Stock Exchanges	The BSE and the NSE
Syndicate	The JGCBRLMs, the BRLMs and the Syndicate Members (if any)
Syndicate Agreement	The agreement to be entered into between the Syndicate and our Company in relation to the collection of Bids in this Issue (excluding Bids from the ASBA Bidders)
Syndicate Members	[●]
Takeover Code	SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997, as amended
Tier II cities	Tier II cities means Mohali/Chandigarh and Bhopal
Tier III cities	Tier III cities means Coimbatore, Mysore, Nasik, Cochin, Nagpur, Jaipur, Indore,

Term	Description
	Shimla, Raipur, Lucknow, Kanpur, Panaji, Guwahati, Bhubaneshwar, Patna and Srinagar
TRS/Transaction Registration Slip	The slip or document issued by a member of the Syndicate or the SCSB (only on demand), as the case may be, to the Bidder as proof of registration of the Bid
UBS	UBS Securities India Private Limited having its office at 2/F, 2 North Avenue, Maker Maxity, Bandra-Kurla Complex, Bandra (E), Mumbai 400 051, Maharashtra, India
Underwriters	The JGCBRLMs, the BRLMs and the Syndicate Members
Underwriting Agreement	The agreement among the Underwriters and our Company to be entered into on or after the Pricing Date
Working Day	All days other than a Sunday or a public holiday (except during the Bid/Issue Period where a working day means all days other than a Saturday, Sunday or a public holiday), on which commercial banks in Mumbai are open for business

Conventional and General Terms/Abbreviations

Term	Description
A/c	Account
AAI	Airport Authority of India
acre	Equals 43,560 sq. ft.
Act or Companies Act	Companies Act, 1956, as amended from time to time
ADA	Americans with Disabilities Act, 1990
AGM	Annual General Meeting
AS	Accounting Standards issued by the Institute of Chartered Accountants of India
ASBA	Applications Supported by Blocked Amounts
ASHRAE	American Society of Heating, Refrigerating, and Air-Conditioning Engineers
Atmospheric Potable Water	Potable water generated from a device that extracts water from humid ambient air
AY	Assessment Year
BBMP	Bruhat Bangalore Mahanagara Palike separate
BDA Act	Bangalore Development Authority Act, 1976
BESCOM	Bangalore Electricity Supply Company Limited
BIAAPA	Bangalore International Airport Area Planning Authority
BMA	Bangalore Metropolitan Area
BMICAPA	Bangalore Mysore Infrastructure Corridor Area Planning Authority
BMP	Bangalore Mahanagara Palike
BMP Bye Laws	Bangalore Mahanagara Palike Building Bye Laws – 2003
BMRDA Act	Bangalore Metropolitan Region Development Authority Act, 1985
BRLMs	Book Running Lead Managers
BSE	The Bombay Stock Exchange Limited
BWSSB	Bangalore Water Supply and Sewage Board
CAN	Confirmation of Allotment Notice
CCMC Act	Chennai City Municipal Corporation Act, 1919
CDP	Comprehensive Development Plan
CDSL	Central Depository Services (India) Limited
cent	Equals 0.01 Acre
CESTAT	Customs, Excise and Service Tax Appellate Tribunal
CIT	Commissioner of Income Tax
CMC(s)	Municipal Councils
CMDA	Chennai Metropolitan Development Authority
CoLR	Computerisation of land records
Coral	Coral means the global internal policy document of the ANZ Group, used to assess/audit the quality of equipment and networking services across all facilities of ANZ
CRISIL	Credit Rating Information Services of India Limited
Depositories	NSDL and CDSL
Depositories Act	The Depositories Act, 1996 as amended from time to time
DER	Debt Equity Ratio
DP/Depository Participant	A depository participant as defined under the Depositories Act, 1996

Term	Description
DP ID	Depository Participant's Identity
Easements Act	Indian Easements Act, 1882
EBITDA	Earnings Before Interest, Tax, Depreciation and Amortisation
ECS	Electronic Clearing Service
EGM	Extraordinary General Meeting
EPS	Unless otherwise specified, Earnings Per Share, i.e., Net Profit attributable to equity shareholders as restated divided by the weighted average outstanding number of equity shares outstanding during that fiscal year
EWS	Economically Weaker Sections
FDI	Foreign Direct Investment
FDI Circular	The consolidated FDI policy effective from April 1, 2010
FEMA	Foreign Exchange Management Act, 1999 read with rules and regulations thereunder and amendments thereto
FEMA Regulations	FEMA (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000 and amendments thereto
FII(s)	Foreign Institutional Investors as defined under SEBI (Foreign Institutional Investor) Regulations, 1995 registered with SEBI under applicable laws in India
Financial Year/Fiscal/FY	Period of twelve months ended March 31 of that particular year
FIPB	Foreign Investment Promotion Board
FSI	Floor Space Index
FVCI	Foreign Venture Capital Investor registered under the Securities and Exchange Board of India (Foreign Venture Capital Investor) Regulations, 2000, as amended
JGCBRLMs	Joint Global Co-ordinators and Book Running Lead Managers
GDP	Gross Domestic Product
GoI/Government	Government of India
gunta	Equals 1,089 sq. ft./0.025 Acre
HDFC	Housing Development Finance Corporation
HNI	High Net worth Individual
HUF	Hindu Undivided Family
ICAI	Institute of Chartered Accountants of India
ICDR Regulations	SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009
IEEE	Institute of Electrical and Electronic Engineers
IFRS	International Financial Reporting Standards
Income Tax Act	The Income Tax Act, 1961, as amended from time to time
Indian GAAP	Generally Accepted Accounting Principles in India
IPO	Initial Public Offering
IS	Indian Standard
IT	Information Technology
ITAT	Income Tax Appellate Tribunal
ITES	Information Technology Enabled Services
JDA	Joint Development Agreement
JV	Joint Venture
KAO Act	Karnataka Apartment Ownership Act, 1972
KIADB	Karnataka Industrial Area Development Board
KMC Act	Karnataka Municipal Corporation Act, 1976
KSA	Karnataka Stamp Act, 1957
KSPCB	Karnataka State Pollution Control Board
KTCP Act	Karnataka Town and Country Planning Act, 1961
MF	Mutual Fund
MICR	Magnetic Ink Character Recognition
MIDC	Maharashtra Industrial Development Corporation
Mn	Million
MoEF	Ministry of Environment and Forests
MoU	Memorandum of Understanding
MSL	Mean Sea Level
NAV	Net Asset Value
NBC	National Building Code
NEFT	National Electronic Fund Transfer
No.	Number

Term	Description
NFPA	National Fire Protection Association
NR	Non Resident
NRE Account	Non Resident External Account
NRI	Non Resident Indian, is a person resident outside India, who is a citizen of India or a person of Indian origin and shall have the same meaning as ascribed to such term in the Foreign Exchange Management (Deposit) Regulations, 2000, as amended from time to time
NRO Account	Non Resident Ordinary Account
NSDL	National Securities Depository Limited
NSE	The National Stock Exchange of India Limited
OCB	A company, partnership, society or other corporate body owned directly or indirectly to the extent of up to 60% by NRIs including overseas trusts in which not less than 60% of beneficial interest is irrevocably held by NRIs directly or indirectly and which was in existence on October 3, 2003 and immediately before such date was eligible to undertake transactions pursuant to the general permission granted to OCBs under the FEMA. OCBs are not allowed to invest in this Issue
p.a.	per annum
P/E Ratio	Price/Earnings Ratio
PAN	Permanent Account Number
PAT	Profit After Tax
PBT	Profit Before Tax
PIO	Persons of Indian Origin
PLR	Prime Lending Rate
Registration Act	Registration Act, 1908
Rent Act	Karnataka Rent Control Act, 1999
Revised Master Plan 2015	The latest CDP notified by the Government of Karnataka on June 25, 2007
RBI	The Reserve Bank of India
Re.	One Indian Rupee
RoC	The Registrar of Companies, Karnataka
RONW	Return on Net Worth
Rs.	Indian Rupees
RTGS	Real Time Gross Settlement
SAT	Securities Appellate Tribunal
SBA	Super Built up Area
SCRA	Securities Contracts (Regulation) Act, 1956, as amended from time to time
SCRR	Securities Contracts (Regulation) Rules, 1957, as amended from time to time
SEBI	The Securities and Exchange Board of India constituted under the SEBI Act, 1992
SEBI Act	Securities and Exchange Board of India Act 1992, as amended from time to time
SEZ	Special Economic Zone
SEZ Policy	Special Economic Zone Policy of the Government of India
SICA	Sick Industrial Companies (Special Provisions) Act, 1985, as amended
SPV	Special Purpose Vehicle
sq. ft.	Square Feet
sq. mts.	Square Meters
Stamp Act	The Indian Stamp Act, 1899, as amended from time to time
State Government	The Government of a State of India
Stock Exchange(s)	BSE and/or NSE as the context may refer to
STPI	Software Technology Parks of India
Sy. No.	Survey number
TDR	Transferable Development Rights
The Land Acquisition Act	The Land Acquisition Act, 1894
TNAO Act	Tamil Nadu Apartment Ownership Act, 1994
TN Building Rules	Tamil Nadu District Municipalities Building Rules, 1972
TNDM Act	Tamil Nadu District Municipalities Act, 1920
TNFS Act	Tamil Nadu Fire Services Act, 1985
TNLRC Act	Tamil Nadu Buildings (Lease and Rent Control) Act, 1960
TNTCP Act	Tamil Nadu Town and Country Planning Act, 1971
T.P.Act	Transfer of Property Act, 1882
UIOF	Urban Infrastructure Opportunities Fund

Term	Description
UIN	Unique Identification Number
UL	United Laboratories, Inc.
Urban Land Ceiling Act	The Urban Land (Ceiling & Regulation) Act, 1976
U.S./USA	United States of America
U.S. GAAP	Generally Accepted Accounting Principles in the United States of America
USD/US$	United States Dollars
VCFs	Venture Capital Funds as defined and registered with SEBI under the SEBI (Venture Capital Fund) Regulations, 1996, as amended from time to time
WTTC	World Travel and Tourism Council

PRESENTATION OF FINANCIAL, INDUSTRY AND MARKET DATA

Land Reserves

In this Draft Red Herring Prospectus, land referred to as "our Land" or "our Land Reserves" are lands to which our Company/our Subsidiaries or other entities in which we have a stake have title or sole development right or joint development rights or other interest in the lands, and also include lands from which our Company can derive economic benefits through a documented framework or lands in relation to which our Company/our Subsidiaries or other entities in which we have a stake have executed a joint development agreement or an MOU to enter into a joint development agreement or an agreement to sell. It includes the total amount of Gross Saleable Area to be developed through Ongoing and Proposed Projects.

Financial Data

Unless stated otherwise, the financial data in this Draft Red Herring Prospectus is derived from our restated audited consolidated financial statements, prepared in accordance with Indian GAAP and the SEBI ICDR Regulations, which are included in this Draft Red Herring Prospectus, and set out in "Financial Statements" on page 261. Our financial year commences on April 1 and ends on March 31. Our standalone as well as consolidated financial statements have been restated to reflect our adoption of the percentage of completion accounting method. In this Draft Red Herring Prospectus, any discrepancies in any table between the total and the sums of the amounts listed are due to rounding off. All decimals have been rounded off to two decimal points.

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

Currency and Units of Presentation

All references to "Rupees" or "Rs." are to Indian Rupees, the official currency of the Republic of India. All references to "US$", "USD" or "U.S. Dollar" are to United States Dollars, the official currency of the United States of America. All references to "S$" are to Singapore Dollars, the official currency of Republic of Singapore. All references to "RSD" are to Serbian Dinar, the official currency of Republic of Serbia. All references to "RM" are to Malaysian Ringgit, the official currency of Malaysia. Except where specified, in this Draft Red Herring Prospectus, all figures have been expressed in "millions".

Industry and Market Data

Unless stated otherwise, industry and market data used throughout this DRHP has been obtained from industry publications and certain public sources. Industry publications generally state that the information contained in those publications has been obtained from sources believed to be reliable, but that their accuracy and completeness are not guaranteed and their reliability cannot be assured. Although our Company believes that the industry and market data used in this DRHP is reliable, it has not been verified by us or any independent sources. Further, the extent to which the market and industry data presented in this DRHP is meaningful depends on the reader's familiarity with and understanding of methodologies used in compiling such data.

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FORWARD-LOOKING STATEMENTS

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

Important factors that could cause actual results to differ materially from our expectations include, among others:

- general, political, social and economic conditions in India and elsewhere;
- accidents, natural disasters or outbreaks of diseases;
- the performance of the real estate market and the availability of real estate financing in India;
- the extent to which sale proceeds differ from our land valuations;
- our ability to manage our growth effectively;
- our ability to finance our business growth and obtain financing on favourable terms;
- our ability to replenish our lands and identify suitable projects;
- our ability to acquire lands for which we have entered into MoUs;
- the extent to which our projects qualify for percentage of completion revenue recognition;
- impairment of our title to land;
- our ability to compete effectively, particularly in new markets and businesses;
- our ability to anticipate trends in and suitably expand our current business lines;
- raw material costs;
- the continued availability of applicable tax benefits;
- our dependence on our Key Management Personnel and Promoter;
- conflicts of interest with affiliated companies, the Group Entities and other related parties;
- our ability to complete development and construction of projects in timely manner;
- the outcome of legal or regulatory proceedings that we are or might become involved in;
- contingent liabilities, environmental problems and uninsured losses;
- government approvals;
- changes in government policies and regulatory actions that apply to or affect our business;
- other factors beyond our control; and
- our ability to manage risks that arise from these factors.

For a further discussion of factors that could cause our actual results to differ, see "Risk Factors" "Our Business" and "Management's Discussion of Financial Condition and Results of Operations" on pages xiv, 120 and 435 respectively. 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, our Directors, 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, the JGCBRLMs, the BRLMs and our Company will ensure that investors in India are informed of material developments until such time as the listing and trading permission is granted by the Stock Exchanges.

SECTION II – RISK FACTORS

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

If any of the following risks, or other risks that are not currently known or are now deemed immaterial, actually occur, our business, results of operations and financial condition could suffer, the price of our Equity Shares could decline, and all or part of your investment may be lost. Unless otherwise stated, we are not in a position to specify or quantify the financial or other risks mentioned herein. The numbering of the risk factors has been done to facilitate ease of reading and reference and does not, in any manner, indicate a ranking of risk factors or the importance of one risk factor over another.

This Draft Red Herring Prospectus contains forward-looking statements that involve risks and uncertainties. Our actual results could differ materially from those anticipated in these forward-looking statements as a result of certain factors, including the considerations described below and elsewhere in this Draft Red Herring Prospectus.

Risks Relating to our Business

1. ***Our Company, certain of our Subsidiaries, Associates and Group Entities, Directors and our individual Promoter are involved in certain legal and other proceedings.***

Our Company, certain of our Subsidiaries, Associates, Group Entities, Directors and our individual Promoter are currently involved in a number of legal proceedings in India. These legal proceedings are pending at different levels of adjudication before various courts and tribunals. If any new developments arise, for example, a change in Indian law or rulings against us by the appellate courts or tribunals, we may face losses and may have to make provisions in our financial statements, which could increase our expenses and our liabilities. Decisions in such proceedings adverse to our interests may have a material adverse effect on our business, results of operations and financial condition.

Details of these legal proceedings are set out below:

Category	Company	Subsidiaries	Associates	Directors	Promoters	Group Entities
Criminal proceedings	1	0	0	13	2	0
Securities law proceedings	0	0	0	0	0	0
Civil proceedings	5	19	22	3	3	19
Tax proceedings	4	4	7	2	2	4
Labor cases	0	0	0	0	0	0
Consumer cases	0	0	1	0	0	0

Land related Litigation*	0	48	1	0	0	1

** Litigation where the entity is not a party but involves land held by the entity or other parties with which the entity has entered into an agreement.*

For further details of these legal proceedings, see the section titled "*Outstanding Litigation and Material Developments*" on page 503.

2. ***We are subject to customer concentration risks relating to our clients in the IT/ITeS industry.***

We are subject to risks inherent in concentrating a substantial portion of our business on a single industry. Substantially all of our facility rental income comes from our IT/ITeS customers. Our ten largest tenants as of February 28, 2010 accounted for approximately 68.03% of our total facility rental income for the eleven months ended February 28, 2010. Of these, one tenant, IBM accounted for 33.75% of our facility rental income for the eleven months ended February 28, 2010.

Accordingly, our financial condition and results of operations may be materially and adversely affected by the bankruptcy, insolvency or downturn in the businesses of one or more of these tenants, as well as the decision by one or more of these tenants not to renew their lease or to terminate their lease before it expires. For details of lease arrangements with such key tenants, please refer to section titled "*Real Estate Project Development and Execution Methodology – Project Handover, Completion and Post Completion*" on page 162.

In addition, our cash flows are largely dependent on the success of our IT/ITeS tenants. The concentration of our business in the IT/ITeS industry exposes us to a downturn in the IT/ITeS industry globally and in India. Such downturns may lead to a decline in occupancy levels for our properties or a decrease in rental rates which may have a material adverse effect on our business, results of operations and financial condition.

3. ***We are subject to risks relating to the economic, political, legal or social environments of the locations in which we operate.***

Our international operations are presently conducted primarily in Malaysia and Serbia, which may be subject to political, social, economic and market conditions which differ significantly from those in more developed countries, or from those with which we are familiar in India. Although, to date, we have not generated revenues from Serbia, we generated Rs. 992.01 million from sales of constructed property in Malaysia in the eleven months ended February 28, 2010. In addition, political, social, economic conditions within India may vary from State to State. Our business, earnings, asset values and prospects and the value of the Equity Shares may be materially and adversely affected by developments with respect to inflation, interest rates, currency fluctuations, government policies, price and wage controls, exchange control regulations, real estate laws and regulations, taxation, expropriation, social instability and other political, legal, economic or diplomatic developments in or affecting the countries in which we operate. We have no control over such conditions and developments and can provide no assurance that such conditions and developments will not have a material adverse effect on our operations or the price of or market for the Equity Shares.

We are subject to a broad range of specific country risks. These risks include, among others, the following:

- political, social and economic instability;
- currency fluctuations;
- external acts of warfare and civil clashes;
- government interventions, including tariffs, protectionism and subsidies;
- difficulties and costs of staffing and managing international operations;
- the ability of our management to deal with multiple and diverse regulatory regimes;
- regulatory, taxation and legal structure changes;
- potentially adverse tax consequences;
- difficulties and delays in obtaining new permits and consents for our operations or renewing existing ones;
- arbitrary or inconsistent governmental action, including unexpected changes in governmental laws and regulations;
- cancellation of contractual rights;
- lack, or very poor condition, of infrastructure;
- expropriation of assets; and
- inability to repatriate profits and/or dividends.

Serbia, in particular, has in the past experienced periods of political instability and, in some cases, civil unrest and conflict. As the political, economic and social environments in Serbia remains subject to continuing development, such investments are characterized by a significant degree of uncertainty.

Any unexpected changes in the political, social, economic or other conditions in these or neighboring countries may have a material adverse effect on the international investments that we have made or may make in the future, which may in turn have a material adverse effect on our business, financial condition and results of operations.

4. ***Our auditors have qualified their opinion on our audited unconsolidated financial statements as at and for the fiscal year ended March 31, 2006.***

The audit report our independent accountants issued on our audited unconsolidated financial statements for the year ended March 31, 2006 contains a qualification which required an adjustment to our restated unconsolidated financial statements and our restated consolidated financial statements. The qualification states that, during the year ended March 31, 2006, the Company had claimed Rs 18.20 million by way of reimbursement of certain expenditure from another company. However, we did not recognize the revenue from this reimbursement, and therefore our profit and receivables were understated to that extent. These revenues have been treated as prior period income in the audited unconsolidated results for the year ended March 31, 2007. In addition to this qualification, our restated consolidated financial statements contain other qualifications which do not require adjustments to our restated consolidated financial statements.

Although Fiscal 2010 ended as of March 31, 2010, the audit report for our consolidated financial statements for Fiscal 2010 has not been prepared. We do not know whether such report will contain similar qualifications. For details of all audit qualifications we have received and the respective management comments, see the section titled "*Financial Statements - Annexure IV – (B) Auditors Qualifications*" on page 371.

5. ***Our business and profitability is significantly dependent on the performance of the real estate market generally in India, and south India in particular. Fluctuations in market conditions may affect our ability to sell our projects at expected prices.***

Our business is significantly dependent on the performance of the real estate market generally in India, and particularly south India, where a majority of our projects are located, and could be adversely affected if market conditions deteriorate. The real estate business is in turn significantly affected by changes in government policies, economic and other conditions, such as economic slowdowns, demographic trends, employment levels, availability of financing, rising interest rates or declining demand for real estate, or the public perception that any of these events may occur. These factors can adversely affect the demand for, and pricing of, our Completed Projects (which have not been either sold or leased), as well as demand for and pricing and timing of our Ongoing Projects and Proposed Projects and, as a result, may materially and adversely affect our financial condition, results of operations, cash flows, our ability to service our debts and the trading price of our Equity Shares.

We focus on real estate projects in the residential (including apartments, villas and integrated townships) and commercial (including corporate office space, SEZs and business parks), retail and hospitality segments of the real estate industry. Going forward, we believe that the success of our projects depends on the general economic growth and demographic conditions in India. In addition, the condition of the real estate sector in India, particularly market prices for developable land and the sale/lease of finished units/projects, has a significant impact on our revenues and results of operations.

The real estate market in south India may perform differently from, and may be subject to market conditions and regulatory developments that are different from, real estate markets in other parts of India. We cannot assure you that the demand for our properties in south India will grow, or will not decrease, in the future.

6. ***We may experience difficulties in expanding our business into additional geographical markets in India.***

The real estate market of the Bangalore Metropolitan Area has traditionally formed our primary strategic focus. Our strategy is to expand our real estate development operations to locations where we believe that our IT/ITeS clients will seek to establish commercial operations in the future. We also evaluate attractive growth opportunities in other geographies on a case by case basis, and have recently launched residential or commercial projects in Chennai, Cochin, Coimbatore and Pune. We may not be able to leverage our experience in the Bangalore Metropolitan Area to expand our operations in Chennai, Cochin, Coimbatore and Pune or into other cities, should we decide to further expand our operations. Factors such as competition, culture, regulatory regimes, business practices and customs, customer tastes, behavior and preferences in these cities where we may plan to expand our operations may differ from those in the Bangalore Metropolitan Area, and our experience in the Bangalore Metropolitan Area may not be applicable to these cities. In addition, as we enter new markets and geographical areas, we are likely to compete not only with national developers, but also local developers who have an established local presence, are more familiar with local regulations, business practices and customs, have stronger

relationships with local contractors, suppliers, relevant government authorities, and access to existing land reserves or are in a stronger financial position than us, all of which may give them a competitive advantage over us. If we plan to expand our geographical footprint, our business will be exposed to various additional challenges, including obtaining necessary governmental approvals and building permits under unfamiliar regulatory regimes; identifying and collaborating with local business partners, construction contractors and suppliers with whom we may have no previous working relationship; successfully gauging market conditions in local real estate markets with which we have no previous familiarity; attracting potential customers in a market in which we do not have significant experience or visibility; being susceptible to local taxation in additional geographical areas of India; and adapting our marketing strategy and operations to different regions of India. Our inability to expand into areas outside the real estate market of the Bangalore Metropolitan Area may adversely affect our business prospects, financial conditions and results of operations and could constrain our long term growth prospects.

7. ***We will be controlled by our Promoters so long as they control a majority of our Equity Shares.***

After the completion of this Issue, our Promoters will control, directly or indirectly, a majority of our outstanding Equity Shares. As a result, our Promoters will continue to exercise significant control over us, including being able to control the composition of our board of directors and determine decisions requiring simple or special majority voting, and our other shareholders will be unable to affect the outcome of such voting. Our Promoters may take or block actions with respect to our business, which may conflict with our interests or the interests of our minority shareholders, such as actions which delay, defer or cause a change of our control or a change in our capital structure, merger, consolidation, takeover or other business combination involving us, or which discourage or encourage a potential acquirer from making a tender offer or otherwise attempting to obtain control of us. We cannot assure you that our Promoters and members of our Promoter Group will act in our interest while exercising their rights in such entities. Our inability to exercise control over entities which hold the lands on which certain of our projects are being constructed may result in delays or losses in relation to the construction of the said projects which may in turn materially and adversely affect our business and results of operations.

We cannot assure you that our Promoters will act to resolve any conflicts of interest in our favor.

8. ***We do not have marketable title to the land on which we intend to develop a business park in Serbia. We are currently in breach of the agreement pursuant to which we are developing the land, and our status as registered owner of the land may be revoked.***

With respect to *Embassy TechZone, Serbia*, a business park we intend to develop in a designated industrial zone in the town of Indjija, Serbia, while we are the registered owner of the land on which the first phase of the business park is to be developed. Our status as registered owner of the land is conditional, we do not yet have marketable title and such land could be restituted by a court if we default in the performance of our obligation to timely commence and complete development of the 250,000 sq. ft. of the first phase of the business park. Since we have not commenced development by July 18, 2009, as is required under the terms of the Cooperation Agreement pursuant to which we have acquired the land, we are technically in breach of the Cooperation Agreement. As a result of this breach, our status as registered owner of the land may be revoked by the Municipality of Indjija, in which case we would not be able to commence construction of *Embassy TechZone, Serbia*. Although we have received a letter of intent from the Mayor of the Municipality of Indjija extending the period for commencement, a formal amendment to the Cooperation Agreement has not been entered into.

A "Detailed Urban Regulation Plan" for the business park is being prepared. This plan will, upon approval by the Municipality of Indjija, allow us to commence the process of obtaining all of the required construction and other permits required for the development of the first phase of the business park. However, at present, we do not possess any licenses or approvals for the development of the business park. As a result, our ability to commence and complete development of the first phase of the business park is not entirely within our control. The failure to receive such required construction and other permits, in a timely manner or at all, could cause the project to be delayed or abandoned or cause cost over-runs, which could materially and adversely affect our results of our operations.

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

We believe we have a team of professionals to effectively oversee the operations and growth of our business. Our success is substantially dependent on the expertise and services of our Directors and our senior management team. They provide expertise which enables us to make well informed decisions in relation to our business and our future prospects. We cannot assure you that we will be able to retain any or all, or that our succession planning will help to replace, the key members of our management. The loss of the services of such key members of our management team and the failure of any succession plans to replace such key members could have an adverse effect on our business and the results of our operations.

Further, our ability to maintain our leadership position in the real estate development sector depends on our ability to attract, train, motivate, and retain highly skilled personnel. In the event we are unable to do so, it could have an adverse effect on our business and results of operations.

10. ***We have incurred net losses.***

We incurred net losses of Rs. 36.81 million and Rs. 6.16 million in Fiscal 2009 and the eleven months ended February 28, 2010, respectively. See the section titled "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" on page 435. We cannot assure you that we will operate at a profit in the future.

11. ***Our business is significantly dependent on the availability of real estate financing in India and the failure to obtain financing in the form of debt or equity and adverse changes in financing terms may affect our growth and future profitability. Difficult conditions in the global financial markets and the economy generally have affected and may continue to materially and adversely affect our business and results of operations.***

Since the second half of 2007, the global financial markets, particularly the credit markets, have experienced, and may continue to experience, significant dislocations and liquidity disruptions which have originated from the liquidity disruptions in the United States and the European Union credit and sub-prime residential mortgage markets. Although economic conditions differ in each country, investors' reactions to any significant developments in one country can have adverse effects on the financial and market conditions in other countries. These and other related events, such as the collapse of a number of financial institutions, have had and continue to have a significant adverse impact on the availability of credit, globally as well as in India. Indian financial markets have also experienced the contagion effect of the global financial turmoil, evident from the sharp decline in the Sensex, BSE's benchmark index. Any prolonged financial crisis may have an adverse impact on the Indian economy, thereby resulting in a material and adverse effect on our business, operations, financial condition, profitability and price of our Equity Shares. We cannot assure you that global economic conditions will not deteriorate further and,

accordingly, that our financial condition and results of operations will not be further adversely affected. On account of the prevailing conditions of the global and Indian credit markets, buyers of property may remain cautious, rentals of commercial properties may continue to face downward pressure and consumer sentiment and market spending may turn more cautious in the near-term.

Changes in interest rates have also had a significant impact on the real estate financing and the demand for residential real estate projects. Rising interest rates affect a prospective customer's ability to obtain affordable financing for purchase of our properties, particularly the purchase of completed residential developments by individuals and sale of commercial projects. Availability of credit to such customers, affects the affordability of, and hence the market demand for, our real estate developments. Interest rates in India have remained high. The PLR of public sector banks decreased from between 12.00% and 12.50% as of January 2009, to between 11.00% and 12.00% as of May 14, 2010. (*Source: Reserve Bank of India, Weekly Statistical Supplement*). These factors have had a series of effects on our business, such as decreases in the sales of, or market rates for, the development projects; delays in the release of finances for certain of the projects in order to take advantage of future periods of more robust real estate demand; decreases in rental or occupancy rates for the commercial or retail properties; financial difficulties of key contractors resulting in construction delays; financial difficulties of key tenants in the commercial and retail properties; inability of customers to obtain credit to finance purchase of our properties. If this trend continues, our results of operations and business prospects may be materially and adversely affected.

12. ***The conditions and restrictions imposed by certain financing arrangements could adversely affect our ability to conduct our business and operations.***

We have entered into agreements with certain banks and financial institution for term loans and working capital loans, which contain restrictive covenants, including, but not limited to, requirements that we obtain consent from the lenders prior to altering the capital structure, further issuance of any shares, effecting any scheme of amalgamation or reconstitution, declaring dividends, creating any charge or lien on the security, any change in our management. Further, under certain loan agreements, the banks are also entitled to appoint a nominee director to our Board of our Company, upon the occurrence of an event of default. Many of our lenders retain the right to reschedule the payment of the loan amount, and in some cases this could be done without notice to us. In addition, some of the loan agreements contain financial covenants that require us to maintain, among other things, specified debt equity ratios.

There can be no assurance that we will be able to comply with these financial or other covenants or that we will be able to obtain consents necessary to take actions that we believe are required to operate and grow our business. Furthermore, a default, including our inability to service our debt, on some of our loans may also trigger cross-defaults under some of the other loan agreements, whereby our failure to honor the payment due under one particular facility will be deemed to be a default under all of our other facilities, and all moneys owed by us to such lenders may be accelerated or declared immediately due and payable. Many of our loan agreements allow our lenders to call upon additional security in relation to existing loans.

Our primary business includes the development and lease of commercial space. The development of such space requires us to enter into long-term financing arrangements. However, where our funding requirements are immediate and financing is available at lower interest rates we use short-term loans, which normally are subsequently replaced with long-term bank financing. There can be no guarantee that we would continue to be able to replace such short-term financing arrangements with long-terms bank financing in the future. In the event we are unable to replace such short-term financing, our results of operations and business prospects may be materially and adversely affected.

13. ***We face intense competition in our business and we may not be able to compete effectively.***

We operate in highly competitive markets, and competition in these markets is based primarily on the availability and cost of land. We also face competition from both domestic and foreign companies in bidding for new property development projects.

Although, our operations have historically focused on projects in and around Bangalore, we are expanding in other cities across south India and into international markets such as Malaysia and Serbia. As we intend to diversify our regional focus and grow our international operations, we face the risk that some of our competitors, who are also engaged in real estate development, may be better known in other regional or international markets, enjoy better relationships with landowners and joint venture partners, gain early access to information regarding attractive parcels of land and may be better placed to acquire such land. Some of our competitors have greater land reserves or financial resources than we do. They may also benefit from greater economies of scale and operating efficiencies. Competitors may, whether through consolidation or growth, present more attractive and/or lower cost solutions than we do, causing us to lose market share to our competitors. There can be no assurance that we can continue to compete effectively with our competitors in the future, and failure to compete effectively may have a material adverse effect on our business, financial condition and results of operations.

Competition from other developers in south India may adversely affect our ability to sell or lease our projects, and continued development by other market participants could result in saturation of the real estate market which could adversely impact our revenues from commercial operations.

Increasing competition could result in price and supply volatility which could materially and adversely affect our results of operations and cause our business to suffer.

14. ***We propose to utilize a significant portion of our Net Proceeds towards general corporate purposes.***

We intend to utilize approximately 19.73% of the Net Proceeds for general corporate purposes. For further details in this regard, see the section titled "*Objects of the Issue*" on page 46.

15. ***The requirement of funds in relation to the objects of the Issue has not been appraised, and are based on current conditions which are subject to change.***

We intend to use the net proceeds of the Issue for the purposes described in the section titled "*Objects of the Issue*" on page 46. The objects of the Issue 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 industry, 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, which may have an adverse impact on our business, financial condition and results of operations.

16. ***Our Company has given guarantees in relation to certain debt facilities provided to our Group Entities, Associates and our Subsidiaries, and our individual Promoter have given guarantees in relation to certain debt facilities provided to us, our Associates and our Subsidiaries.***

Our Company has provided corporate guarantees in favor of lenders of our Subsidiaries, Associates, Group Entities and other third parties. Guarantees of indebtedness of Associates are recognized in our financial statements as contingent liabilities. In the event these guarantees are called upon, our business, results of operations and financial condition may be adversely affected.

Our individual Promoters has given personal guarantees in relation to most of the debt facilities provided to us, our Associates and our Subsidiaries aggregating to Rs. 37,274 million as at May 31, 2010. In the event that any of the guarantees are revoked, the lenders for such facilities may require alternate guarantees, repayment of amounts outstanding under such facilities, or even terminate such facilities. We may not be successful in procuring guarantees satisfactory to the lenders, and as a result may need to repay outstanding amounts under such facilities or seek additional sources of capital, which could affect our financial condition and cash flows.

17. ***We enter into MOUs, agreements to sell and similar agreements with land owners to acquire land, interests in land or to enter into joint development agreements. Those agreements contain certain pre-conditions to the sale, the non-fulfillment of which could result in delays or an inability to implement some of our projects as contemplated.***

As part of our land acquisition process, we enter into purchase agreements or memoranda of understanding with third parties prior to the transfer of interest or conveyance of title to the land to us. As of June 30, 2010, we propose to acquire 293.26 acres of land, which constitutes approximately 22.34% of our Land Reserves. Such third parties may own the lands themselves or have contracts to purchase such lands from their current owners. We enter into these agreements after making certain advance payments in order to ensure that such third parties can satisfy certain pre-conditions within the time frames stipulated under these agreements. There can be no assurance that these third parties will be able to satisfy their conditions within the time frames stipulated or at all. In addition, at any time such third parties may decide not to sell the identified land to us.

In the event that we are not able to acquire this land, we may not be able to recover all or part of the advance monies paid by us to these third parties, which amounted to approximately Rs. 369.02 million as of June 30, 2010. Further, in the event that these agreements 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 failure on our part to perform our obligations, or any delay in performing our obligations under these agreements, may lead to us being unable to acquire these lands as the agreements may also expire. Any failure to complete the purchases of land, renew these agreements on terms acceptable to us or recover the advance monies from the relevant counterparties could adversely affect our business, financial condition and results of operations.

18. ***The land which is owned by our Company and registered in the name of our Company is 15.89 acres and accounts for less than 25% of our total Land Reserves, with the remaining properties forming part of our Land Reserves being held in the names of our Subsidiaries or other entities.***

We own a total of 15.89 acres of land, which aggregates to 1.20% of our total Land Reserves. The remaining properties forming part of our Land Reserves are held in the names of our Subsidiaries, joint ventures companies and other entities with whom we have joint development arrangements. As a result, these project-specific entities will have control over the Land Reserves and thereby limit our flexibility to make decisions relating to such Land Reserves. For details about the lands owned by our Company, see the section titled "*Our Land Reserves*" on page 169.

19. ***Our title and development rights or other interests over land may be subject to legal uncertainties and defects.***

There may be various legal defects and irregularities to the title to the lands that we own or on which we have development rights or other interests in, directly or indirectly, and which we may not be able to fully identify, resolve or assess. Prior to any agreement for purchase and / or development of land with respect to any land or any right therein, we usually verify the history and title of the land based on available documents and information by undertaking a due diligence process. However, there can be no assurance that such documents and information is accurate, authentic or complete. Additionally, property records in India have not been fully computerized and are generally maintained manually with physical records of all land related documents, which are also manually updated. This updating process can take a significant amount of time and can result in inaccuracies or errors and increase the difficulty of obtaining property records and/or materially impact our ability to rely on them. As a result, the title of the real property in which we may invest may not be clear or may be in doubt.

Our rights or title in respect of these lands may be compromised by improperly executed, unregistered or insufficiently stamped conveyance instruments in the property's chain of title, unregistered encumbrances in favor of third parties, the absence of conveyance by all right holders, rights of adverse possessors, ownership claims of family members of prior owners or other defects that we may not be aware of. For example, in relation to our Proposed Project, Embassy Knowledge Park, a power of attorney has been executed in favor of our Promoter and/or a third party, by the current owners authorizing them to transact in the aforesaid property including execution of sale deeds. For more information refer to "*Our Land Reserves*" at page 169.

Further, legal disputes in respect of land title can take several years and can entail considerable expense to resolve if they become the subject of court proceedings and their outcome can be uncertain. If we or the owners of the land, which is the subject of our agreements, are unable to resolve such disputes with these claimants, we may either lose our interest in such land or may be rendered unable to commence or continue development thereon. The failure to obtain good title to a particular plot of land may require us to write-off expenditures in respect of the development.

We face various practical difficulties in verifying the title of a prospective seller or lessor of property, or a joint development partner. Multiple property registries exist, and verification of title is difficult. Indian law recognizes the ability of persons to effectuate a valid mortgage by the physical delivery of original title documents to a lender, without the requirement of registration. Adverse possession under Indian law also arises upon 12 years of unconcealed, continuous and uninterrupted occupation over specific property to the knowledge and against all rights of parties, including government entities (in which case the aforementioned 12 year period is replaced by a 30 year period) that are landowners, without the specific requirement of registration of ownership rights by the adverse possessor. In addition, Indian law recognizes the concept of a Hindu undivided family, whereby all family members jointly own land and must consent to its transfer, including minor children, absent whose consent a land transfer may be challenged by such non-consenting family member.

Some of our projects are executed through joint ventures in collaboration with third parties or by entering into joint development agreements where the title to land remains with the land owner during the term of the project. In some of these projects, the title to the land may be owned by one or more such third parties. In such instances, there can be no assurance that the persons with whom we have entered into joint

ventures, collaboration agreements or joint development agreements, as the case may be, have clear title to such land and that there are no encumbrances on such land.

A lack of title insurance, coupled with difficulties in verifying title to land, may increase our exposure to third parties claiming title to the property. This could result in a delay in our selling the property or even a loss of title to the property, affect valuations of the property, or otherwise materially prejudice the development of the property which could in turn have a material and adverse effect on our business, financial condition or results of operations.

20. ***We do not own our Registered and Corporate Office and other premises from which we operate.***

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

For the immoveable properties for our other offices, we enter into lease or license arrangements. Certain of these properties may not have been constructed or developed in accordance with local planning and building laws and other statutory requirements. For further details of the lessors, the relationship with our Company, and rentals payable by our Company in relation to the properties leased by our Company, see the section titled "*Our Business – Our Office Property*" on page 168.

21. ***Our inability to procure contiguous parcels of land, on terms that are acceptable to us or at all, may affect our future development activities.***

We acquire parcels of land at various locations, over a period of time, for future development. These parcels of land are subsequently consolidated to form a contiguous landmass, upon which we undertake development. In the past, we have not experienced difficulties in acquiring such parcels of land and consolidating them. However, we may not be able to acquire such parcels of land, at all or on terms that are acceptable to us, which may affect our ability to consolidate parcels of land into a contiguous mass. Failure to acquire such parcels of land may cause delays or force us to abandon or modify the planned development of the land, which in turn may result in a failure by us to realize the value of our investment in acquiring such parcels of land. Accordingly, our inability to acquire contiguous parcels of land may adversely affect our business, financial condition and results of operations. In the event we are not successful in acquiring these lands, this could cause us to change, delay or abandon entire projects, which in turn could cause our business to suffer.

22. ***The development of our projects are subject to risks associated with the engagement of third party contractors.***

Typically, independent third party contractors are engaged to develop our projects. We do not have direct control over the day to day activities of such contractors and are reliant on such contractors performing these services. Accordingly, the timing and quality of construction of our properties depends on the availability and skill of those sub-contractors. If we fail to enter into such contracts or if the contractors fail to perform their obligations in a manner consistent with their contracts or to the standards we require, our

projects may not be completed to the standard required, in the timeframe envisaged or may not be completed at all, which would cause time and cost overruns. Further, we cannot assure you that skilled subcontractors will continue to be available at reasonable rates and in the areas in which we conduct our operations. As a result, we may be required to make additional investments or provide additional services to ensure the adequate performance and delivery of contracted services and any delay in project execution could adversely affect our profitability. If a contractor engaged to work on a development becomes insolvent, it may prove to be impossible to recover compensation for such defective work or materials and we may incur losses as a result of funding the repair of the defective work or paying damages to persons who have suffered loss as a result of such defective work.

If we are unable to negotiate with the workmen or the contractors, it could result in work stoppages or increased operating costs as a result of higher than anticipated wages or benefits. In addition, we may not be able to procure required casual labor for our existing or future projects, which could delay the development of projects for prolonged periods of time.

In addition, we outsource the project management of our developments to project management firms such as Synergy Property Development ("**Synergy**"). Although we believe our long-standing relationship with Synergy is cordial, we cannot guarantee you that their services will continue to be available at the same rates and on the similar terms and conditions.

These factors could adversely affect our business, financial position, results of operations and cash flows.

23. ***Delays in the completion of our Ongoing Projects and Proposed Projects or complying with our construction contract schedules may impact our business.***

Property developments typically require substantial capital outlay during the construction period which may take an extended period of time to complete, and before a potential return can be generated. The time and costs required to complete a property development may be subject to substantial increases due to many factors, including shortages of, or price increases with respect to, construction materials (which may prove defective), equipment, technical skills and labor, acquisition of land, construction delays, unanticipated cost increases, changes in the regulatory environment, adverse weather conditions, third party performance risks, environmental risks, changes in market conditions, delays in obtaining the requisite approvals and permits from the relevant authorities and other unforeseeable problems and circumstances. Any of these factors may lead to delays in, or prevent the completion of, a project and result in costs substantially exceeding those originally budgeted for. The cost overruns may not be adequately compensated by contractual indemnities, which may affect our financial condition and results of operations. There are no insurance policies available in India that cover cost overrun risk. In addition, any delays in completing our projects as scheduled could result in dissatisfaction among our customers, resulting in negative publicity and lack of confidence among future buyers for our projects. Additionally, we may not achieve the economic benefits expected of such projects and failure to obtain expected economic benefits could adversely affect our business, financial condition and results of operations. In the event there are any delays in the completion of such projects, our relevant approvals and leases may be terminated, which may have a material adverse effect on our business and results of operations.

Furthermore, there is a lag between the time we acquire land and/or development rights and the time that we can construct and develop such project and sell our inventories. The actual timing of the completion of a project may be different from its forecasted schedule. Given that the real estate market both for land and developed properties is relatively illiquid, there may be high transaction costs as well as little or insufficient

demand for land or developed properties at the expected rental or sale price, as the case may be, which may limit our ability to respond promptly to market events, such as changes in the prices of the raw materials we utilize in our projects. Further, our profitability could be materially and adversely affected if we purchase land at high prices and we have to sell or lease our developed projects during weaker economic periods at prices lower than those estimated originally. The risk of owning undeveloped land and unsold inventories can be substantial and the market value of the same can fluctuate significantly as a result of changing economic and market conditions.

In addition, we may incur penalties for any delay in the completion of the undertaken property development. We cannot assure you that we will always complete the construction or development of our properties in accordance with the timelines specified with customers, and as a result we may be liable for penalties in terms of agreements with customers. We have experienced delays in the completion and handover of developments in the past. Continued delays in the completion of the construction of our projects will adversely affect our reputation. Further, such penalties payable by us will have an adverse effect on our financial condition and results of operations.

24. ***We have challenged certain municipal tax rules which classify several of our projects as being subject to higher tax rates. If we fail to succeed in these proceedings, we may have to pay additional property tax and it may adversely impact our financial condition and results of operation.***

We have filed certain writ petitions before the High Court of Karnataka seeking to repeal the Karnataka Municipal Corporation Act (Amendment) Ordinance, 2008 and the Bruhat Bangalore Mahanagar Palike Property Tax Rules, 2009, on the grounds that the classification of buildings as being subject to higher tax rates, on the basis of whether such building is being provided with a central air conditioning facility, is unreasonable and further claiming that the state government does not have the authority to levy the tax proposed to be levied by the above mentioned rules. We have obtained an interim stay against the operation of the said rules and continue to pay property tax at previous rates in respect of several of our residential projects, subject to the adjudication of the writ petition. Should the writ petitions be adjudicated against us, several of our projects could be classified as being subject to higher tax rates and we may be required to pay significantly increased taxes which would adversely impact our financial condition and results of operations.

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

Under our existing business model, revenues in our real estate development business are derived primarily from the leasing of commercial and retail developments and the sale of residential developments. While rental income can be relatively stable, revenues from the sale of properties are dependent on various factors such as the size of our developments, the price at which such developments are sold, the extent to which they qualify for percentage of completion treatment under our revenue recognition policies, rights of lessors or third parties that could impair our ability to sell properties and general market conditions including those caused by the current global financial crisis. We may sell some or all of our existing leased properties in the future, which would affect the stability of our rental revenue in the future.

The completion dates for our projects are estimates based on current expectations, market demands and management estimates and may be subject to changes. Any changes in the construction schedule could affect revenue recognition in our financial statements. These factors may result in significant variations in

our revenues and profits, and as a result period to period comparisons of our results of operations may not be meaningful.

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

The growth of the Indian economy has led to changes in the way businesses operate in India and the growing disposable income of India's middle and upper income classes has led to a change in lifestyle, resulting in a substantial change in the nature of their demands in the real estate sector. Increasingly, consumers are seeking better housing and better amenities in new residential developments. Our role as the developer of residential projects requires us to satisfy different consumer expectations such as parking, gardens, playgrounds, swimming pools, fitness centers, tennis courts and golf courses.

The growth and success of our commercial business depends on the provision of high quality office space and technology parks to attract and retain clients who are willing and able to pay rent at suitable levels, and on our ability to anticipate the future needs and expansion plans of these clients.

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

27. ***We are required to ensure that the public shareholding in our Company is 25% which may require our Company or Promoter to issue/transfer shares thereby diluting your shareholding in our Company.***

Under the Securities Contract (Regulation) Rules, 1957, as amended ("**SCRR**"), listed companies are required to maintain public shareholding of at least 25% of their issued share capital. Pursuant to the Securities Contracts (Regulation) (Amendment) Rules, 2010, notified on June 4, 2010, the SCRR were amended to define 'public shareholding' to refer to persons other than a company's promoter, promoter group, subsidiaries and associates, and excluding shares held by a custodian against which depository receipts have been issued overseas. Companies, such as our Company, whose post issue capital calculated at offer price is more than Rs. 4000 crores and whose draft offer documents are being filed with the SEBI up on commencement of the Securities Contracts (Regulation) (Amendment) Rules, 2010, on listing are required to increase their public shareholding by at least 5% per annum to bring the total public shareholding to at least 25% of its issued share capital (provided that the annual increase in public shareholding may be less than 5% in a year during which such increase brings the public shareholding of such company to 25% of its issued share capital). Failure to comply with the minimum public shareholding provision would require a listed company to delist its shares and may result in penal action being taken against the listed company pursuant to the SEBI Act.

In light of the same and in order to ensure that the public shareholding in our Company is at least 25%, we may either undertake equity issuances in the future which may include a primary offering or there may be further dilution of the shareholding by our Promoters. These actions may lead to the dilution of investors' shareholdings in our Company. Hence, any future equity issuances by us or sales of our Equity Shares by our Promoters may adversely affect the trading price of our Equity Shares. In addition, any perception by potential investors that such issuances or sales might occur could also affect the trading price of our Equity Shares.

28. ***We are required to obtain, renew and maintain statutory and regulatory permits, licenses and approvals for the execution of our projects and our operations from time to time.***

We have various projects which are in various stages of development and we are in the process of making the applications to regulatory authorities in connection with the development of these projects. The proposed use and development plans for these properties may be subject to further changes, as we may determine are necessary in light of various factors such as prevailing economic conditions, preferences of our customers and laws and regulations applicable to us from time to time. We are also subject to local zoning rules, and any changes in how our projects and land reserves are zoned may adversely affect our ability to go forward with our developments. Our projects are conducted in phases, and we receive approvals, permits and licenses in a phased manner. In the event of a failure to receive or delay in the receipt of certain approvals, permits or licenses for a particular phases, the development of later phases may be adversely affected.

We further require certain statutory and regulatory permits, licenses and approvals (including approvals related to the conversion of agricultural land to non-agricultural land in certain cases) to execute our projects (including our Ongoing Projects) and operate our business and applications need to be made at appropriate stages for such approvals. Additionally, we require completion certificates to be delivered to us upon completion of a project or a phase of the project. While we have applied for a few of these approvals and permits, we cannot assure you that we will receive these approvals on time or at all in relation to execution of our projects. Further, in the future we will be required to apply for fresh approvals and permits for our projects.

There can be no assurance that the consents or other approvals required from third parties, which include central, state and local governmental bodies, in connection with the construction and development of these projects will be issued or granted to us in a timely manner or at all. It is possible that some projects will be located in areas that will require significant infrastructure support, including roads, electrical power, telecommunications, water and waste treatment. We may be dependent on third parties, including local authorities, to provide such services. Any delay or failure by any third party to provide such additional services or a failure to obtain any required consents and approvals on acceptable terms or in a timely manner may affect our ability to execute or complete existing and/or new development projects.

29. ***Our business and financial condition will suffer if we are unable to renew our commercial leases on favorable terms.***

We receive rental income from the lease of our commercial projects. In Fiscal 2009 and the eleven months ended February 28, 2010, our facility rental income constituted 35.79% and 40.82% of our total revenues, respectively. When our commercial leases expire, our tenants may not renew or may renew on terms less favorable to us than the terms of their original leases. Our ability to enter into such arrangements is largely dependent on our reputation and pricing policy. If a tenant vacates a property, we can expect to experience a vacancy for some period of time, as well as incur higher leasing costs, than if a tenant renews in a timely manner. We have in certain cases also entered into leases of space for the Ongoing Projects for our commercial real estate development business (pursuant to which tenants make non-refundable security deposits) prior to the actual completion of these developments. As a result, our financial performance could be adversely affected if we experience a high volume of tenant departures at the end of their lease terms or if tenants fail to perform their obligations in relation to lease agreements entered into prior to the completion of developments. Any inability on our part to attract potential customers for our commercial and retail projects could adversely affect our business and reputations.

30. ***Leasing our Completed Projects instead of selling them, and the securitization of our future rental receipts, could affect our cash flows and results of operations.***

In addition to the sale of Completed Projects in our residential and commercial portfolios, we generate revenue in our real estate development business by leasing Completed Projects. Leasing, as opposed to selling, Completed Projects reduces cash flows in the short term and increases the period over which cash is recovered from such projects. Further, our strategy of leasing certain properties is also subject to the prevailing rates applicable to rentals, risks arising from the fall of rental rates, recoverability of rent, market price of land and such other factors which may affect our operations.

In addition, we enter into arrangements with banks to securitize the revenue generated from the lease of our completed commercial developments, in terms of which the banks pay us a lump sum, in the form of a loan, at the time we lease the property, with all subsequent rentals from our tenants paid directly to the bank. Such direct payments cover the interest and principal payments we owe over the tenure of the loan. If our tenants fail to make any rental payments or do not renew the lease or if the tenants vacate the premises and we are unable to collect the penalty payment for any reason, we are obligated to make the payment owed to the bank which could materially and adversely affect our cash flows and results of operations.

31. ***Availability and cost of quality raw material may affect our results of operations.***

In our business, timely procurement of raw materials such as steel and cement, the quality of the material and the price at which it is procured, plays an important role in the successful execution of any project. We typically execute purchase orders on a spot basis with our suppliers for each project and have not entered into any long-term supply contracts with our suppliers. Accordingly, our business is affected by the availability, cost and quality of the raw materials. The prices and supply of these and other raw materials depend on factors beyond our control, including general economic conditions, competition, production levels, transportation costs and import duties. There has been a significant increase in the cost of raw materials, such as steel and cement, in the last few months which has resulted in an increase in our cost of construction. We cannot assure you that we shall be able to procure quality raw material at competitive prices or at all which may adversely affect our business. In addition, if for any reason, our primary suppliers of raw materials should curtail or discontinue their delivery of such materials to us in the quantities we need and at prices that are competitive, our reputation and ability to meet our material requirements for our projects could be impaired, our construction schedules could be disrupted and our business could suffer.

32. ***Our business is subject to extensive government regulation, within and outside India.***

The real estate industry in India is heavily regulated by the Government of India, state governments and local authorities. Property developers need to comply with a number of requirements mandated by Indian laws and regulations, including policies and procedures established by local authorities such as requirement of transaction documents, payment of stamp duty, registration of property documents, purchase of property for benefits of others. There are also various land ceiling legislations that regulate the amount of land that can be held under single ownership. In addition, our operations in Malaysia and Serbia are subject to significant regulation.

We are subject to environmental, health and safety regulations in the ordinary course of our business, including governmental inspections, licenses and approvals of our project plans during construction.

Further, we are subject to various labor laws and regulations governing our relationship with our employees and other contractors, including in areas such as minimum wages, maximum working hours, overtime, working conditions, hiring and terminating employees, contract labor and work permits.

We may have to revise our strategies and plans to be able to adapt to new laws, regulations or policies that may come into effect from time to time with respect to the real estate sector. Although we believe that our projects are in compliance with applicable laws and regulations, there could be instances of non-compliance, which may subject us to regulatory action in the future, including penalties, seizure of land and other legal proceedings. Further, due to the possibility of unanticipated regulatory developments, the amount and timing of future expenditure to comply with these regulatory requirements may vary substantially from those currently in effect.

33. ***Certain projects being developed in our commercial real estate business are located on land parcels held on a leasehold basis for a certain period which are subject to certain terms and conditions and we may not be able to renew these leases beyond the agreed renewable periods.***

In some cases in our commercial real estate business, we conduct development activities on land by entering into long term lease agreements with the owners of the land. For further details see "*We are subject to certain restrictions in relation to the land allotted to us by the Karnataka Industrial Area Development Board and Maharashtra Industrial Development Corporation and the receipt of approvals*" on page xxxix. After expiration of the lease period, we are required to return the land to the owners. We may not be able to recover the rent paid to the landowners or the costs incurred for the construction on the land during the lease period. As of June 30, 2010, we hold leasehold rights in 128.58 acres or approximately 9.7% of our Land Reserves, and have paid approximately Rs. 1,278.55 million under such agreements. Further, certain of these lease agreements have a clause whereby the lease may be extended with the consent of both parties. In the event that the owners do not wish to renew the lease agreements beyond the agreed renewable period, our business, financial condition and results of operations could be materially and adversely affected.

34. ***We are required to make certain payments when we enter into joint development agreements, which may not be recoverable and pursuant to which we may be required to pay penalties in terms of such joint development agreements.***

We enter into joint development agreements with third party land owners in relation to some of our properties. Under these agreements, we are required to provide the owners of the land with either a refundable deposit, which is refundable upon the completion of the project, or a non-refundable deposit. Under these joint development agreements, in the event of any delay in the completion of the project within the time frame specified, we are required to indemnify such parties with whom we have entered into joint development agreements and pay certain liquidated damages and penalties as specified in these agreements. If we are required to pay penalties pursuant to such agreements and we decline to do so, we may not be able to recover the deposits made by us to the owners of the land and the owners of such lands also have the right to terminate the joint development agreements. As of June 30, 2010 we have entered into joint development agreements in relation to 17.28 acres or approximately 1.31% of our Land Reserves and pursuant to these agreements we have paid approximately Rs. 208 million as deposits and are required to pay a further sum of Rs. 10 million under such agreements. This could have an adverse effect on our business, financial condition and results of operations. For further details see the section titled "*Our Land Reserves*" on page 169.

35. ***We may be subject to certain State land ceiling laws which restrict our ability to purchase land for development.***

Certain States in south India have imposed certain statutory restrictions on the maximum land area that may be held by any one legal entity in the said State. In the event that we decide to expand our business operations into such states where these laws are applicable, we will have to comply with these laws. Further, if a court of competent jurisdiction adjudicates that we are in violation of applicable land ceiling laws, our property rights, including those held through our various Subsidiaries and other entities may be compulsorily acquired by the concerned state government, which may have a material adverse effect on our business, financial condition and future plans.

36. ***Our insurance policies provide limited coverage and we may not be insured against some business risks, potentially leaving us uninsured against some business risks.***

We maintain insurance on property and equipment in amounts believed to be consistent with industry practices and our insurance policies cover physical loss or damage to our property and equipment arising from a number of specified risks including burglary, fire, landslides and other perils. Notwithstanding the insurance coverage that we carry, we may not be fully insured against some business risks and the occurrence of an accident that causes losses in excess of limits specified under the relevant policy, or losses arising from events not covered by insurance policies, could materially and adversely affect our financial condition and results of operations.

Further, we have insurance for damage to our Ongoing Projects caused by fire and natural disasters, such as earthquakes. Although we believe we have industry standard insurance for Ongoing Projects, if a fire or natural disaster substantially damages or destroys some or all of our Ongoing Projects, the proceeds of any insurance claim may be insufficient to cover rebuilding costs as a result of inflation, changes in building regulations or environmental issues as well as other factors.

37. ***We undertake some of our projects jointly with third parties, whose interests may differ from ours and such arrangements entail certain risks.***

At present some of our projects are undertaken by way of joint ventures, such as our joint venture with Azikaf Sdn Bhd, a member of the Emkay Group, of Malaysia, for the development of *MKN Embassy TechZone* in Cyberjaya, Malaysia. See the section titled "*History and Corporate Structure – Strategic or Financial Partners*" on page 204. In addition, we plan to undertake projects with or through joint ventures with third parties in the future.

Our joint venture partners may have business interests or goals that are inconsistent with our business interests or goals. Such investments also may have the potential risk of impasses on certain key decisions. Any disputes that may arise between us and our joint venture partners may cause delay in completion, suspension or complete abandonment of the project. In addition, we may in certain circumstances be liable for the actions of our joint venture partners. Further, the success of these joint ventures depends, to a certain extent, on the satisfactory performance by the joint venture partners and the fulfillment of their obligations. If a joint venture partner fails to perform its obligations satisfactorily, or exits from joint ventures prior to the completion of our Ongoing Projects and Proposed Projects, the joint venture may be unable to perform adequately or deliver its developments on time or at all. In such a case, we may be required to make additional investments in the joint venture or become liable for its obligations, which could result in

reduced profits or in some cases, significant losses. The inability of a joint venture partner to continue with a project due to financial or legal difficulties could mean that we would bear increased, or possibly sole, responsibility for the relevant projects. In addition in the event that the joint venture is terminated after completion of the project, we cannot guarantee such a termination will not materially or adversely affect the revenue we would derive from such project.

Certain of our joint ventures involve the participation of foreign investors. These joint venture agreements provide the investors with options to exit the joint venture, such as tag along rights, drag along rights, put option and call options. In the event that the investors exercise these rights, the completion of the project may be adversely affected. Further, joint venture agreements require investor consent before any restructuring, reorganization, change in capital structure, amendment to Memorandum of Association and/or Articles of Association and/or the transfer of assets. Under certain joint ventures agreements, the investors are entitled to preferential dividends.

In some cases, under the terms of the joint venture agreements, we and our partners are required to provide additional funding for such entities. We cannot assure you that the capital contributions will be made as provided for in terms of the agreements, or at all. In addition, though our joint ventures and joint development agreements confer rights on us to construct, develop, market and sell the developed properties, our joint venture partners have certain decision-making rights which may limit our flexibility to make decisions relating to such projects, and may cause delays or losses pursuant to them.

While we believe that such restrictions are market standard, they may inhibit our growth potential, limit our flexibility to make decisions relating to the corresponding projects, cause delays and may materially and adversely affect our results of operations.

38. ***We have entered into certain related party transactions.***

We have entered into transactions with several related parties, including our Promoters, Directors and Promoter Group entities. The transactions we have entered into and any future transactions with our related parties have involved or could potentially involve conflicts of interest. For more information regarding our related party transactions, see "*Related Party Transactions*" on page 421.

39. ***Conflicts of interest may arise out of common business objects shared by our Company and certain of our Promoter Group entities.***

Our Promoters have interests in other companies and entities that may compete with us, including other entities in our Promoter Group that conduct businesses with operations that are similar to ours within the real estate development industry. Whilst our Promoters have entered into a non-compete agreement with our Company, whereby they have undertaken to neither directly nor indirectly engage or otherwise participate in activities or services which compete or may compete with our business of construction and real estate development, there is no requirement or undertaking for our Promoter Group or such similar entities to conduct or direct any opportunities in the real estate industry only to or through us. As a result, conflicts of interest may arise in allocating or addressing business opportunities and strategies amongst our Company and other entities in our Promoter Group in circumstances where our interests differ from theirs. There can be no assurance that such other entities in our Promoter Group will not compete with our existing business or any future business that we may undertake, nor that their interests will not conflict with ours.

40. ***Some of our agreements may be inadequately stamped or may not have been registered and some of our land may be affected by one or more irregularities, as a result of which our operations may be impaired.***

Some of our agreements may not be adequately stamped and some of the land for our projects, which are either owned by us or taken on lease or over which we have development rights, may have one or more irregularities such as 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. In the event of any such irregularity, we may not be able to enforce our right over such properties in case of a dispute.

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

Our ability to pay dividends in future will depend on our earnings, financial condition and capital requirements, and that of our Subsidiaries and the dividends they distribute to us. Our business is capital intensive and we may plan to make additional capital expenditure to complete various real estate projects that we are developing. Our ability to pay dividends is also restricted under certain financing arrangements. We may be unable to pay dividends in the near or medium term, and our future dividend policy will depend on our capital requirements and financing arrangements in respect of our projects, financial condition and results of operations.

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

The right to own property in India is subject to restrictions that may be imposed by the government. In particular, the government under the provisions of the Land Acquisition Act, 1894 has the right to compulsorily acquire any land if such acquisition is for a "public purpose", after making payment of compensation to the owner. However, the compensation paid pursuant to such acquisition may not be adequate to compensate the owner for the loss of such property. The likelihood of such actions may increase as the central and state governments seek to acquire land for the development of infrastructure projects such as roads, railways, airports and townships. Any such action in respect of any of the projects in which we are investing (or may invest in the future) may adversely affect our business, financial condition or results of operations.

43. ***Our operations and our work force are exposed to various hazards and we are exposed to risks arising from construction related activities that could result in material liabilities, increased expenses and diminished revenues.***

There are certain unanticipated or unforeseen risks that may arise in the course of property development due to adverse weather and geological conditions such as such as storm, hurricane, lightning, flood, landslide and earthquake. Additionally, our operations are subject to hazards inherent in providing architectural and construction services, such as risk of equipment failure, impact from falling objects, collision, work accidents, fire or explosion, including hazards that may cause injury and loss of life, severe damage to and destruction of property and equipment, and environmental damage. Any such risk could result in exposing us to material liabilities, increase our expenses, adversely affect our reputation and may result in a decline in our revenues. We cannot assure that we may be able to prevent any such incidents in the future.

44. ***Our business may suffer if Embassy Services Private Limited is unable to sustain the quality of its property management services.***

A company within the Promoter Group, Embassy Services Private Limited, provides property management services to the Completed Projects of our commercial businesses. These services include, among others, security management, building maintenance and the operation of leisure facilities such as swimming pools and fitness centers. We believe that the property management services provided by Embassy Services Private Limited are an integral part of our business and are important to the successful marketing and promotion of our property developments. If owners of the projects that we have developed elect to discontinue the services provided by Embassy Services Private Limited or if Embassy Services Private Limited itself elects to discontinues its services, the Completed Projects of our commercial business could be negatively impacted, which in turn could adversely affect the attractiveness of our developments.

45. ***Any failure or disruption of our information technology systems could adversely impact our operations.***

Any delay in implementation or disruption of the functioning of our IT systems could disrupt our ability to track, record and analyze work in progress or cause loss of data and disruption to our operations, including an inability to assess the progress of our projects, process financial information or manage creditors/debtors or engage in normal business activities. This could have a material adverse effect on our operations.

46. ***The statements contained in this DRHP with regard to our Ongoing Projects and Proposed Projects and the area expressed to be covered by our projects are based on management estimates and may be subject to change. In addition, industry statistical and financial data contained in this DRHP may be incomplete or unreliable.***

The measurements data presented herein with regard to Ongoing Projects and Proposed Projects, the Developable Area, Gross Saleable Area, Gross Leasable Area and our Economic Interest and general composition of our land are based on management estimates. The square footage that we may develop in the future with regards to a particular property may differ from what is presented herein based on various factors such as prevailing market conditions, title defects, an inability to obtain the required regulatory approvals, and a change in the development norms (such as FSI or zoning) or our understanding of what such development norms are. Moreover, title defects may prevent us from having valid rights enforceable against all third parties to lands over which we believe we hold interests or development rights, rendering our management's estimates of the area and make-up of our land incorrect and subject to uncertainty.

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

47. ***Our contingent liabilities which have not been provided for in our financial statements could adversely affect our financial condition.***

We have substantial contingent liabilities, which could adversely affect our business. Our contingent liabilities appearing in our financial statements on a consolidated basis as at February 28, 2010 aggregated

to Rs. 11,389.39 million. The contingent liabilities consist principally of contracts remaining to be executed on capital account and not provided for, as well as commitments to purchase shares. If we are unable to pay or otherwise default on our obligations, our lenders may be required, pursuant to the relevant guarantee, to cover the full or remaining balance of our obligations. In the event that any of these contingent liabilities materialize, our results of operation and financial condition may be adversely affected. For further information, see the section titled *"Management's Discussion and Analysis of Financial Condition and Results of Operations"* on page 435.

As of February 28, 2010, we had the following contingent liabilities that have not been provided for in our consolidated financial statements:

	(Rs. in millions)
Commitment for purchase of shares in:	
- Gordon Woodroffe Limited	2,131.40
Corporate Guarantee given in favor:	
- of a bank for loans taken by other companies	6,118.90
Income tax cases	10.45
Entry tax claims	1.03
Others	
- Commitment for land	54.51
- Estimated amount of contract remaining to be executed on capital account and not provided for (net of advances)	3,073.10
Total	**11,389.39**

48. ***Certain of our Subsidiaries, Associates and Group Entities have incurred losses in the past.***

The following Subsidiaries and Associates have incurred losses in the past:

Profit/Loss after Tax				***(Rs. in million)***
No	***Name of the company***	***Fiscal 2009***	***Fiscal 2008***	***Fiscal 2007***
1	Blue Lagoon Real Estate Pvt. Ltd.	(0.04)	-	-
2	Concord India Pvt. Ltd.	(122.21)	(0.20)	(0.08)
3	D M Estates Pvt. Ltd.	11.76	(6.68)	6.70
4	DSRK Holdings Pvt. Ltd.	(11.96)	(15.38)	(2.17)
5	Embassy Projects Pvt. Ltd.	(0.09)	(0.02)	(0.02)
6	Embassy Real Estate & Properties Pvt. Ltd.	(0.12)	(0.76)	(0.02)
7	G V Properties Pvt. Ltd.	(83.98)	1.15	(0.01)
8	Golf Links Software Park Pvt. Ltd.	65.37	13.65	(743.99)
9	Nam Estates Pvt. Ltd.	(8.13)	(7.66)	(5.37)
10	Neptune Real Estate Pvt. Ltd.	(0.04)	-	-
11	Pune Dynasty Projects Pvt. Ltd.	(26.12)	1.23	(0.00)
12	Pune Embassy Projects Pvt. Ltd.	(51.50)	(16.76)	(0.00)
13	Saphire Realtors Pvt. Ltd.	(37.55)	(5.44)	(7.29)
14	Span Ventures Pvt. Ltd.	(1.24)	(1.72)	-
15	Swire Investments Pvt. Ltd.	(0.32)	(0.04)	(0.01)
17	Trafalgar Estate & Properties Pvt. Ltd.	(0.02)	-	-
18	Umbel Properties Pvt. Ltd.	(18.27)	(2.38)	0.05

The following Group Entities have incurred losses in the past:

	Profit/Loss after Tax			(Rs. in million)
No	***Name of the entity***	***Fiscal 2009***	***Fiscal 2008***	***Fiscal 2007***
	Companies			
1.	All Square Realtors India Private Limited	(8.17)	(2.56)	-
2.	Anko Constructions Private Limited	(0.30)	(0.18)	(0.36)
3.	Babbler Marketing Private Limited	(0.89)	(1.86)	(0.31)
4.	Book & Marks Hospitality Private Limited	(0.05)	(4.00)	(0.46)
5.	Ditrita Developers Private Limited	(0.08)	(0.03)	(0.01)
6.	DSRK Holdings (Chennai) Private Limited	(183.81)	10.71	(0.02)
7.	Dynasty Holdings Private Limited	1.44	(0.99)	(2.13)
8.	Embassy Constructions and Developments Private Limited	(4.83)	2.13	2.34
9.	Embassy Housing Finance and Developments Private Limited	(14.80)	(0.00)	(0.19)
10.	Embassy Knowledge and Infrastructure Projects Private Limited	(35.24)	(1.98)	-
11.	Embassy Shelters Private Limited	(0.06)	(0.44)	(0.82)
12.	Façade and Glazing Technologies Private Limited	(0.92)	0.61	
13.	Kingsway Travel Agencies Private Limited	(0.87)	0.29	(0.34)
14.	LJ Victoria Properties Private Limited	(0.09)	-	-
15.	M. D. Realtors Private Limited	(1.97)	(4.20)	12.51
16.	More Finanshare Investments Private Limited	(0.80)	(0.13)	(0.34)
17.	Nam Investments Private Limited	(0.02)	(0.04)	(0.00)
18.	Oakwood Developers Private Limited	(0.06)	(0.05)	(0.03)
19.	Oasis Home Holdings Private Limited	(0.06)	(2.01)	(0.01)
20.	Pet Properties & Constructions Private Limited	(5.92)	0.72	(0.00)
21.	Polywood Properties Private Limited	(0.09)	-	-
22.	Raffle Square Development Corporation Private Limited	(0.01)	(0.03)	(0.00)
23.	RG-Lakeside Properties Private Limited	(0.02)	(0.03)	-
24.	Solomon David Holdings Private Limited	(0.00)*	1.94	0.05
25.	Starwood Properties Private Limited	(0.09)	-	-
26.	Stonehill Education Foundation	(81.65)	-	-
27.	Swire Holdings Private Limited	(0.09)	(0.12)	(0.33)
28.	Swire Properties Private Limited	(0.01)	(0.05)	-
29.	Swire Tech-Park Projects Private Limited	(0.77)	(0.03)	
30.	Udhyaman Investments Private Limited	(0.10)	(12.37)	(1.50)
31.	Vijaygi Investments Private Limited	(0.09)	(0.05)	
32.	Wildflowers Estate & Resorts Private Limited	(6.64)	(5.33)	(5.72)
33.	Zeus Commodities Private Limited	(3.27)	(2.42)	-

Profit/Loss after Tax				(Rs. in million)
No	***Name of the entity***	***Fiscal 2009***	***Fiscal 2008***	***Fiscal 2007***
	Partnership firms			
1	Embassy Brindavan Developers	(0.01)	254.79	(0.28)
2	Embassy Development Corporation	(1.87)	(15.75)	0.19
3	Swire Properties	(0.00)*	0.05	

* Less than 0.01 million

They may continue to incur losses in future periods, which may have an adverse effect on our results of operations.

49. ***An inability to manage our growth strategy effectively could disrupt our business and reduce profitability.***

Our business strategy includes the development of commercial, hospitality, residential and retail real estate developments in and around Bangalore and in select new geographic markets across India and in Malaysia and Serbia; pursuant to this strategy, we currently have various real estate projects under development. As we grow and diversify, we may not be able to execute our projects efficiently on such increased scale, which could result in delays, increased costs and diminished quality, each adversely affecting our reputation. This future growth may strain our managerial, operational, financial and other resources. If we are unable to manage our growth strategy effectively, our business, financial condition and results of operations may be adversely affected. As the development of each real estate project presents unique challenges and risks to implementation, we cannot provide you any assurance that by operating nationally, and by undertaking more diverse projects, that our future real estate developments will not encounter delays or be unsuccessful. We similarly cannot assure you that we will be able, in carrying out our growth strategy, to complete our current and future development projects successfully or on time, acquire additional suitable land for development, or develop new projects on such land in the future.

50. ***We receive certain tax benefits under the provisions of the Income Tax Act 1961 (I.T. Act), which if withdrawn, may adversely affect our financial condition and results of operations.***

Our business enjoys various tax benefits under the I. T. Act, and is also expected to benefit from SEZ related tax benefits. Section 80-IB of the I.T. Act provides for deduction for income tax purposes of 100% of the profits from residential projects approved before March 31, 2007 provided the area of each dwelling unit is not more than 1,000 sq. ft. in Delhi and Mumbai or within 25 kilometers of the municipal limits of these cities and 1,500 sq. ft. in rest of India. Our projects are customized, wherever feasible, to take advantage of the benefits provided by the said provisions of the I.T. Act. Section 80IAB of the I.T. Act provides for deductions in respect of profits and gains by an undertaking or enterprise engaged in development of SEZs provided that the project is notified under the Special Economic Zones Act, 2005, after April 1, 2005. A deduction of 100% of the profits and gains derived from the notified projects for a period of 10 consecutive years. In the event that similar benefits are no longer available to us due to any change in law or a change in the nature of our property developments, the effective tax rates payable by us will increase and consequently our financial condition may be adversely affected. The Group has not availed any of the benefits available to certain of its projects under Section 80IAB or Section 80-IA of the I.T. Act as at February 28, 2010. For details, see the section titled "*Statement of Tax Benefits*" on page 73.

51. ***Losses or liabilities from latent building or equipment defects may adversely affect our results of operation and our reputation.***

Latent defects in design, construction or other property or equipment in buildings or projects developed by us may require additional capital expenditure, special repair or maintenance expenses or the payment of damages or other obligations to third parties.

Costs or liabilities arising from such property or equipment defects may involve significant and potentially unpredictable patterns and levels of expenditure which may have a material adverse effect on our earnings and cash flows. Statutory or contractual representations, warranties and indemnities given by any third party contractors or suppliers are unlikely to afford satisfactory protection from costs or liabilities arising from such property or equipment defects.

52. ***We anticipate developing or participating in the development of SEZs, which involve various risks.***

As part of our real estate development business, we intend to develop SEZs. Our success in the development of SEZs depends on, among other things, our ability to obtain approvals and attract manufacturing or industrial units or IT units that conduct business within the SEZs, as well as on the continued availability of fiscal incentives under the SEZ regulatory regime. We have not applied for approvals for our proposed SEZ properties. We cannot assure you that we will be able to get these approvals or attract manufacturing or industrial or IT units in the future. Also, the possibility of withdrawal of the applicable benefits and concessions in the future may adversely affect the attractiveness of SEZs for the manufacturing, industrial or service units, which creates a risk for our current and planned investment in SEZ properties.

The SEZ policy framework is evolving and there could be changes in the SEZ regulations, including changes in norms for land acquisitions and associated compensation mechanisms, land use and development. Additionally, the selection procedure for grant of SEZ licenses is open to challenge. Changes and/or uncertainties in the GoI or state government policies or regulatory frameworks may slow down and adversely affect the demand for SEZs and thereby adversely affecting our SEZ development plans.

53. ***We expect competition from new SEZ developments and this may adversely affect our growth plans.***

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

54. ***There are risks associated with our venture into the affordable housing segment.***

We propose to develop affordable housing projects. We cannot assure you that we will be able to generate positive returns on our investments in such projects which may have a material and adverse affect on our business, financial condition and results of operations. If we fail to anticipate and respond to consumer

requirements, we could lose potential clients to competitors. Any failure to implement the affordable housing projects successfully identify or to anticipate and respond to customer demand in a timely manner could have an adverse effect on our business, financial condition and results of operations.

55. ***Our brand "Embassy" is owned by Embassy Shelters Private Limited and licensed to our Company, and we have not obtained registration of our trademark, which may affect our business operations.***

The brand and trademark "Embassy" and the associated logo are licensed to our Company and our Group Companies by Embassy Shelters Private Limited. By an agreement dated March 20, 2010, Embassy Shelters Private Limited has granted our Company the non-exclusive and sub-licensable right to use the trademark and logo in our ordinary course of business upon payment of a license fee of Rs. 100,000 per year. We cannot assure you that we will continue to have the uninterrupted use and enjoyment of the trademark or logo in the event that we are unable to renew the license agreement. In addition, we have not obtained registration of our trademark. We may not be able to prevent infringement of our trademark and a passing off action may not provide sufficient protection. Additionally, we may be required to litigate to protect our brands, which may adversely affect our business operations. Loss of the rights to use the trademark and the logo may affect our reputation, goodwill, business and our results of operations.

56. ***Currently two "Embassy" brands exist and any inability to distinguish ourselves from such other brand could impact our identity and positioning***

We believe that one of the principal factors that differentiate us from our competitors in the real estate industry is our brand name and brand identity. However, under the family settlement agreement dated January 9, 1999 between our individual Promoter, Vandana Virwani, Karan Virwani, Aditya Virwani, Mohan Virwani, Raj Mohan Virwani, Jaikishan Virwani, Jaya Jaikishan Virwani, Siddanth Virwani and Sanjeev Wahi, Sonu Sanjeev Wahi, only the style and logo of the Embassy Group as is currently being used by us was recognized as belonging to our individual Promoter and the name 'Embassy' continues to be used by other members of the family in their business operations, including in real estate development. Any confusion due to the existence of another Embassy brand could negatively impact our business and results of operations.

57. ***We are subject to certain restrictions in relation to the land allotted to us by the Karnataka Industrial Area Development Board and Maharashtra Industrial Development Corporation and the receipt of approvals.***

We have been allotted land by KIADB pursuant to a lease cum sale agreement dated June 7, 2007, a deed of rectification dated April 21, 2008 and an allotment letter dated June 7, 2007 for an aggregate of 78.55 acres of land at Kadugodi in Bangalore for setting up infrastructure facilities for IT/ITES companies. Pursuant to the terms of the lease cum sale agreement, the deed of rectification and the allotment letter, during the currency of the lease or up on completion of the initial period of the lease of 20 years for the SEZ land measuring 58 acres and 11 years for the non-SEZ land measuring 20.55 acres, upon satisfaction of the terms and conditions of the lease and the allotment and the payment of the cost of the land, we may purchase such land. Such conversion of lease into sale is also subject to the utilization of a minimum of 50% of the land allotted.

Under the terms of the lease cum sale agreement, the deed of rectification and the allotment letter, we are required to comply with a number of provisions, such as for the initial period of the lease, we should hold

not less than 51% interest in this land. In addition, the lease agreement and the allotment letter relating to the land allotted by KIADB contains certain revocation clauses. Furthermore, KIADB has the right to re-enter and take possession of the land in the event such land is not used for the purpose for which it was leased or allotted. We are also required to provide 80% of the jobs created for a project to local people and 100% in relation to employees in certain categories. We are also required to ensure that the personnel officer employed by us is a Kannadiga. In addition to the above, we are required to provide employment to at least one person from each family that has been displaced from the land. We have also been allotted land by MIDC for the development of a business park, *Embassy TechZone* in Pune, pursuant to a lease agreement dated May 23, 2006 for an aggregate of 68.41 acres. Pursuant to the terms of the lease agreement, we are required to comply with certain terms and conditions, such as, the milestones for completion of construction, utilization of space, indemnity against claims arising from any damage to adjoining buildings, preference in employment to persons from whom the land was initially acquired by MIDC and payment of transfer fees in the event of any transfer.

In the event we are unable to satisfy any or all of the conditions as specified in the lease agreements and/or the allotment letter, we may be in violation of the terms of the lease agreements and/or the allotment letter. As a result, the allotment of land made to us may be revoked by KIADB or MIDC. In the event that the lease is revoked, it could adversely affect our business, financial conditions and results of operations.

58. ***Changes in the rate of incidence of property taxes and stamp duties, services taxes and other value added taxes may affect our financial results.***

As a property owning and development company, we may be subject to the property tax regime in the states where our properties are located. These taxes could increase in the future, and new types of property taxes may be established which would increase our overall development and other costs. We also buy and sell properties and property conveyances are generally subject to stamp duty. Additionally, the Finance Act 2010 has levied a service tax on sales and receipts on residential properties under construction for which we have entered into an agreement for sale after April 1, 2010. If these duties increase, the cost of acquiring properties will rise, and sale values could also be affected. Additionally, if stamp duties were to be levied on instruments evidencing transactions which we believe are currently not subject to such duties, our acquisition costs and sale values may be affected. Any such changes in the incidence or rates of property taxes or stamp duties may affect our results of operations.

59. ***The success of our retail strategy depends on our ability to build malls in appropriate locations and attract suitable retailers and customers.***

The success of our retail real estate business depends on our ability to recognize and respond to the changing trends in India's retail sector and position ourselves in attractive locations. We believe that in order to draw consumers away from traditional shopping environments such as small local retail stores or markets as well as from competing malls, we need to create demand for our malls where customers can take advantage of a variety of retail options and amenities.

We also must secure suitable anchor tenants and other retailers as they play a key role in generating customer traffic. There can be no assurance, however, that our anchor tenants will attract or draw potential customers to enter into our malls. With the likely entry of major international retail companies into India and the establishment of competing retail operations, there will be an increasing need to attract and retain major anchor tenants and other retailers who can successfully compete with the growing presence of large

international retailers. A decline in retail spending or a decrease in the popularity of the retailers' businesses could cause retailers to cease operations or experience significant financial difficulties that in turn could harm our ability to continue to attract successful retailers and visitors to our malls.

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

Property litigation, particularly litigation with respect to land ownership, is common in India (including public interest litigation) and is generally time consuming and involves considerable costs. Further, the courts have recently held that under Hindu law, a minor who has succeeded to property under Section 8 of the Hindu Succession Act, 1956, has a period of 3 years from the date of attaining majority to file a suit setting aside the transfer of such property by his natural guardian. Also, in 2005 the Karnataka legislature amended Section 6 of the Hindu Succession Act, 1956 to provide that a daughter has the same rights as a son to coparcenary property owned by a Hindu Undivided Family. Pursuant to this amendment, the courts have held that women who have such a right can make a claim for their share in coparcenary properties which have not been partitioned through a registered partition deed. These developments have increased the risk of litigation on land which we have acquired from minors or coparcenary land which was partitioned pursuant to an unregistered partition deed. If any property in which we have invested is subject to any litigation or is subjected to any litigation in future, it could delay a development project and/or have an adverse impact, financial or otherwise, on us. Some of our Completed Projects and certain parcels forming part of our Land Reserves are subject to litigation. For details, see the section titled "*Outstanding Litigation and Material Developments*" on page 503.

In respect of land owned by Nam Estates Private Limited and Swire Investments Private Limited together admeasuring approximately 158.95 acres at Nagamangala Village and Hegganahalli Village, Kundana Hobli, Devnahalli Taluk, Bangalore District, the State Government of Karnataka had issued an order bearing No. NAE 157 BMR 2005 dated January 27, 2009 declaring the lands as agricultural land. Nam Estates Private Limited and Swire Investments Private Limited together with our Company have filed a writ petition bearing W.P. No. 12055-57/2009 against the State Government of Karnataka and others before the High Court of Karnataka, Bangalore challenging the unilateral classification of the properties as agricultural property. The outcome of the litigation is uncertain and may result in Nam Estates Private Limited and Swire Investments Private Limited losing their interest in the land. This will also in turn affect the project, *Integrated Township Devanhalli, Bangalore*, proposed over the land. For details of the litigation, see the section titled "*Outstanding Litigation and Material Developments*" on page 508.

Furthermore, the properties on which we are proposing to develop the projects, *Embassy Residency*, Chennai, *Hilton Residence*, *Integrated Township Devanhalli, Bangalore*, *Embassy Manor* and *Embassy Techpoint* are subject matter of litigation to which we are not a party. We may not be able to predict the impact of such litigation on us or the aforesaid projects.

61. ***Certain of our property has been mortgaged for securing the loan availed by our vendors.***

The property over which our business park, *Embassy TechSquare,* is being developed has been mortgaged in favor of Punjab National Bank for the loan availed by our vendor, B.L Kashyap and Sons Limited. There can be no assurance that B.L Kashyap and Sons Limited will be able to meet the debt service obligations. If B.L Kashyap and Sons Limited fails to meet the debt service obligations or financial covenants required under the financing documents or otherwise deemed to be in default of any of its obligations under the financing documents, the lender have right to take possession of our assets mortgaged to them. This may have an adverse impact on *Embassy TechSquare*.

62. ***Our hospitality business is subject to a number of factors and therefore we may not be successful in our hotel business.***

We are currently in the process of developing four hotels, which we will own but will be operated and managed by national and international hotel operators. We do not have extensive experience in this business and rely on the operators to manage our hospitality projects. We may not be able to compete effectively with established and new competitors in this business. Our success in the development of hotels, resorts and serviced accommodation will depend on our ability to forecast and respond to demand in an industry in which we have limited experience and we therefore depend on our operators. In addition, the performance of the hotel industry is also closely linked with the performance of the general economy and any economic downturn would affect our business.

The success of this business is also subject to our ability to successfully partner with management companies to operate the hotels, resorts and serviced accommodation profitably and obtaining all requisite statutory approvals. The success of this business depends on our ability develop appropriate locations and to successfully operate these hotels, resorts or serviced apartments. In addition, the role of our partners is critical to the uninterrupted operations of these hospitality projects. If our future hospitality partners fail to meet their obligations, experience financial or other difficulties or suffer a decline in reputation, the projects may suffer and as a result our business and results of operations may be materially and adversely affected. In addition, in the event that these future arrangements with our partners are not successful, our reputation as a hospitality developer for future projects may be materially and adversely affected.

63. ***A promoter entity, JV Holding Pvt. Ltd. ("JVHPL"), is pending registration as a non-banking financial company ("NBFC").***

One of our promoter entities, namely JVHPL, has applied for and is pending registration as a NBFC with the RBI. While JVHPL has applied for such registration, we cannot guarantee that JVHPL will be registered as such with the RBI.

64. ***Certain of our Directors are involved in legal proceedings.***

Our Promoter Director, Jitendra Virwani is involved in a criminal proceeding in relation to several alleged offences under Sections 260, 263A, 465, 567, 468, 471 and 474 of the Indian Penal Code, 1860 relating to forgery and cheating. One of our executive Directors, K.Y. Gopikrishnan is involved in two criminal proceedings in relation to several alleged offences under the Contract Labour (Regulation and Control) Act, 1970. We cannot assure you that these cases will be disposed of in favor of our Directors. In the event that any adverse order is passed in these cases, it will affect the reputation of our Company.

Furthermore, our Promoter Director, Jitendra Virwani is also involved in certain civil suits including litigation under Wealth Tax Act, 1957 and IT Act. For details, see the section titled "*Outstanding Litigation and Material Developments*" on page 503.

External Risks

1. Regional hostilities, terrorist attacks, civil disturbances or social unrest, regional conflicts could adversely affect the financial markets and the trading price of the Equity Shares could decrease.

Certain events that are beyond our control, such as terrorist attacks and other acts of violence or war, may adversely affect worldwide financial markets and could potentially lead to a severe economic recession, which could adversely affect our business, results of operations, financial condition and cash flows, and more generally, any of these events could lower confidence in India's economy.
India, Malaysia and Serbia have also experienced social unrest in some parts of the country. If such tensions occur in other parts of the country leading to overall political and economic instability, it could have a materially adverse effect on our business, future financial performance and the price of the Equity Shares.

2. The market value of an investor's investment may fluctuate due to the volatility of the Indian securities markets.

Stock exchanges in India have in the past experienced substantial fluctuations in the prices of listed securities. The Sensex, BSE's benchmark index, increased by more than 76%, representing approximately 7,560 points, in the calendar year 2009. The stock exchanges in India, in line with global developments, have witnessed substantial volatility in 2008 and continue to be volatile in 2010. The year-to-date percentage increase in Sensex as of June 30, 2010 stood at 0.25%, as compared to 6.27% decrease for the Dow Jones Industrial Average, 7.97% decrease for the Hang Seng Index, and 2.67% decrease for the Strait Times Index (Singapore). However, as of June 30, 2010 100 day volatility of the Sensex as per Bloomberg data stood at a comparable figure of 17.00 relative to 19.09 for Dow Jones Industrial Average, 21.25 for the Hang Seng Index and 15.97 for Strait Times Index (Singapore).

The Indian Stock Exchanges have experienced temporary exchange closures, broker defaults, settlement delays and strikes by brokerage firm employees. In addition, the governing bodies of the Indian stock exchanges have from time to time imposed restrictions on trading in certain securities, limitations on price movements and margin requirements. Furthermore, from time to time, disputes have occurred between listed companies and stock exchanges and other regulatory bodies, which in some cases may have had a negative effect on market sentiment.

3. Natural calamities could have an adverse impact on the economies of the countries in which we operate.

The occurrence of natural disasters, including hurricanes, tsunamis, floods, earthquakes, tornadoes, fires, explosions, pandemic disease and man-made disasters, including acts of terrorism and military actions, could adversely affect our results of operations or financial condition, including in the following respects:

1. Catastrophic loss of life due to natural or man-made disasters could cause us to pay benefits at higher levels and/or materially earlier than anticipated and could lead to unexpected changes in persistency rates.

2. A natural or man-made disaster could result in losses in our investment portfolio, or the failure of our counterparties to perform, or cause significant volatility in global financial markets.

We cannot assure the prospective investors that such events will not occur in the future or that our results of operations and financial condition will not be adversely affected.

4. Significant differences exist between Indian GAAP and other accounting principles, such as US GAAP and IFRS, which may be material to investors' assessments of our Company's financial condition. Our failure to successfully adopt IFRS which is effective from April 2011 could have a material adverse effect on real estate developers in India and the trading price of our Equity Shares.

Our financial statements, including the financial statements provided in this Draft Red Herring Prospectus, are prepared in accordance with Indian GAAP. We have not attempted to quantify the impact of IFRS or U.S. GAAP on the financial data included in this Draft Red Herring Prospectus, nor do we provide a reconciliation of our financial statements to those of U.S. GAAP or IFRS. U.S. GAAP and IFRS differ in significant respects from Indian GAAP. For details, see the section titled "*Certain Conventions; Presentation of Financial Industry and Market Data*" on page xi. Accordingly, the degree to which the Indian GAAP financial statements included in this Draft Red Herring Prospectus will provide meaningful information is entirely dependent on the reader's level of familiarity with Indian accounting practices. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in this Draft Red Herring Prospectus should accordingly be limited.

The Institute of Chartered Accountants of India, the accounting body that regulates the accounting firms in India, has announced a road map for the adoption of, and convergence with, the International Financial Reporting Standards, or IFRS, pursuant to which all public companies in India, such as our Company, will be required to prepare their annual and interim financial statements under IFRS beginning with Fiscal period commencing April 1, 2011. Because there is significant lack of clarity on the adoption of and convergence with IFRS and there is not yet a significant body of established practice on which to draw in forming judgments regarding its implementation and application, we have not determined with any degree of certainty the impact that such adoption will have on our financial reporting. There can be no assurance that our financial condition, results of operations, cash flows or changes in shareholders' equity will not appear materially worse under IFRS than under Indian GAAP. As we transition to IFRS reporting, we may encounter difficulties in the ongoing process of implementing and enhancing our management information systems. Moreover, there is increasing competition for the small number of IFRS-experienced accounting personnel available as more Indian companies begin to prepare IFRS financial statements. There can be no assurance that our adoption of IFRS will not adversely affect our reported results of operations or financial condition and any failure to successfully adopt IFRS by April 2011 could have a material adverse effect on our stock price.

5. ***There may be less information available about the companies listed on the Indian securities markets compared with information that would be available if we were listed on securities markets in developed countries***.

There may be differences between the level of regulation and monitoring of the Indian securities markets and the activities of investors, brokers and other participants and that of the markets in the United States and other more developed countries. SEBI is responsible for approving and improving disclosure and other regulatory standards for the Indian securities markets. SEBI has issued regulations and guidelines on disclosure requirements, insider trading and other matters. There may, however, be less publicly available

information about companies listed on an Indian stock exchange compared with information that would be available if that company was listed on a securities market in a developed country.

6. Rights of shareholders under Indian law may be more limited than under the laws of other jurisdictions.

Our articles of association, regulations of our board of Directors and Indian law govern our corporate affairs. Legal principles related to these matters and the validity of corporate procedures, directors' fiduciary duties and liabilities, and shareholders' rights may differ from those that would apply to a company in another jurisdiction. Shareholders' rights under Indian law may not be as extensive as shareholders' rights under the laws of other countries or jurisdictions. Investors may have more difficulty in asserting their rights as shareholder in an Indian company than as shareholder of a corporation in another jurisdiction.

7. Investors may not be able to enforce a judgment of a foreign court against us.

We are a limited liability company incorporated under the laws of India. Substantially all of the directors and executive officers named herein are residents of India and a substantial portion of its assets and such persons are located in India. As a result, it may not be possible for investors to effect service of process upon us or such persons outside India or enforce judgments obtained against such parties outside India.
Recognition and enforcement of foreign judgment is provided for under Section 13 and Section 44A of the Civil Procedure Code on a statutory basis. Section 13 of the Civil Code provides that foreign judgments shall be conclusive regarding any matter directly adjudicated upon except: (i) where the judgment has not been pronounced by a court of competent jurisdiction; (ii) where the judgment has not been given on the merits of the case; (iii)where it appears on the face of the proceedings that the judgment is founded on an incorrect view of international law or refusal to recognize the law of India in cases to which such law is applicable; (iv) where the proceedings in which the judgment was obtained were opposed to natural justice; (v) where the judgment has been obtained by fraud; or (vi) where the judgment sustains a claim founded on a breach of any law then in force in India. Under the Civil Procedure Code, a court in India shall, upon the production of any document purporting to be a certified copy of a foreign judgment, presume that the judgment was pronounced by a court of competent jurisdiction, unless the contrary appears on record.

Section 44A of the Civil Code provides that where a foreign judgment has been rendered by a superior court, within the meaning of that Section, in any country or territory outside India which the Government has by notification declared to be in reciprocating territory, it may be enforced in India by proceedings in execution as if the judgment had been rendered by the relevant court in India. However, Section 44A of the Civil Code is applicable only to monetary decrees not being in the same nature of amounts payable in respect of taxes, other charges of a like nature or in respect of a fine or other penalties.

The United Kingdom, Singapore and Hong Kong have been declared by the Government to be a reciprocating territory for the purposes of Section 44A of the Civil Procedure Code. A judgment of a court of a country which is not a reciprocating territory may be enforced in India only by a suit upon the judgment under Section 13 of the Civil Procedure Code, and not by proceedings in execution. The suit must be brought in India within 3 years from the date of judgment in the same manner as any other suit filed to enforce a civil liability in India. It is unlikely that a court in India would award damages on the same basis as a foreign court if an action is brought in India. Furthermore, it is unlikely that an Indian Court would enforce foreign judgment if it viewed the amount of damages awarded as excessive or inconsistent with

public policy. A party seeking to enforce a foreign judgment in India is required to obtain approval from the RBI to repatriate outside India any amount recovered and any such amount may be subject to income tax in accordance with applicable laws.

8. Any downgrading of India's debt rating by an international rating agency could have a negative impact on the trading price of the Equity Shares.

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, its ability to obtain financing for capital expenditures and the trading price of the Equity Shares.

9. Outbreaks of epidemic diseases may adversely affect our operations.

Pandemic disease, caused by a virus such as H5N1 (the "avian flu" virus), or H1N1 (the "swine flu" virus), could have a severe adverse effect on our business. A new and prolonged outbreak of such diseases may have a material adverse effect on our business and financial conditions and results of operations. Although the long-term effect of such diseases cannot currently be predicted, previous occurrences of avian flu and swine flu had an adverse effect on the economies of those countries in which they were most prevalent. In the case of any of such diseases, should the virus mutate and lead to human-to-human transmission of the disease, the consequence for our business could be severe. An outbreak of a communicable disease in India or in the particular region in which property is owned by us would adversely affect our business and financial conditions and the results of operations.

10. Multinational corporations may reduce their operations in India due to change in policies and public sentiment both in India and abroad which may adversely affect our operations.

Many of the tenants which occupy the properties are multinational corporations from the United States and Europe. Anti-globalization protests, protests against foreign cultural influences, or a fear of losing the regional linguistic and cultural identity in the regions where the majority of the customers of the multinational corporations are located or in India may impact these corporations in a number of ways such as a reduction in demand for the products or the services provided by these corporations. It could also result in the corporations scaling down their operations in India, or may result in workers not being able to report for work or our premises and buildings may be damaged. In addition, any foreign government's policy on discouraging outsourcing may cause many multinational companies from such countries to reduce their operations in India. This could materially and adversely affect our business and financial conditions and results of operations.

Risks Associated with the Equity Shares

1. The price of the Equity Shares may be highly volatile after the Issue.

The price 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 and the perception in the market about investments in the real estate industry; adverse media reports on us or the Indian real estate industry; changes in the estimates of our performance or recommendations by financial analysts; significant developments in India's economic

liberalization and deregulation policies; and significant developments in India's fiscal and environmental regulations. There can be no assurance 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 subsequently.

2. You will not be able to immediately sell any of the Equity Shares you purchase in the Issue on an Indian Stock Exchange.

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

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

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

4. ***Future issuances or sales of the Equity Shares by any existing shareholders could significantly affect the trading price of the Equity Shares***.

The future issuances of Equity Shares by us or the disposal of Equity Shares by any of the major shareholders or the perception that such issuance or sales may occur may significantly affect the trading price of the Equity Shares. There can be no assurance that we will not issue further Equity Shares or that the shareholders will not dispose of, pledge or otherwise encumber their Equity Shares.

5. 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.

Subsequent to listing, our Company will be subject to a daily circuit breaker imposed on listed companies by all stock exchanges in India which does not allow transactions beyond certain volatility in the price of the Equity Shares. This circuit breaker operates independently of the index-based market-wide circuit breakers generally imposed by SEBI on Indian stock exchanges. The percentage limit on our Company's circuit breaker is set by the stock exchanges based on the historical volatility in the price and trading volume of the Equity Shares. The stock exchanges are not required to inform our Company of the percentage limit of the circuit breaker from time to time, and may change it without its knowledge. This

circuit breaker would effectively limit the upward and downward movements in the price of the Equity Shares. As a result of this circuit breaker, there can be no assurance regarding the ability of shareholders to sell the Equity Shares or the price at which shareholders may be able to sell their Equity Shares.

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

Sale of Equity Shares by any holder may give rise to tax liability in India, as discussed in the section titled "*Statement of Tax Benefits*" on page 73.

Notes to Risk Factors

- The Investors may contact any of the BRLMs who have submitted the due diligence certificate to SEBI, for any complaint pertaining to the Issue.

- Our net worth is Rs. 14,576.62 million on a consolidated basis excluding minority interest, and Rs. 13,861.19 million on an unconsolidated basis as at February 28, 2010, as per our restated consolidated and unconsolidated financial statements under Indian GAAP in "*Financial Statements*" on page 261.

- The average cost of acquisition of our Company's Equity Shares by the Promoters is Rs. 0.026 per Equity Share. The average cost of acquisition of Equity Shares by the Promoters has been calculated by taking the average of the amount paid by them to acquire the Equity Shares issued by us.

- The net asset value/book value per Equity Share was Rs. 5,728.63 on a consolidated basis and Rs. 5,416.65 on an unconsolidated basis as at February 28, 2010, as per our restated consolidated and unconsolidated financial statements of under Indian GAAP in the "*Financial Statements*" on page 261.

- For details of the Group Entities having business interests or other interests in the Issuer see the sections titled "*Group Entities*" and "*Related Party Transactions*" on pages 241 and 421, respectively.

- Our Company has changed its name from Dynasty Developers Private Limited to Embassy Property Developments Private Limited pursuant to a certificate of change of name dated April 1, 2010. Our Company was converted into a public limited company on May 25, 2010 with the name Embassy Property Developments Limited and received a fresh certificate of incorporation consequent upon change in status on May 25, 2010 from the RoC.

- For changes in the objects clause of the Memorandum of Association, see the section titled "*History and Corporate Structure*" on page 202.

- See the sections titled "*Related Party Transactions*" and "*Group Entities*" on pages 421 and 241, respectively, for details of transactions by the Issuer with Group Entities or Subsidiaries during the last year, the nature of transactions and the cumulative value of transactions.

- There are no financing arrangements whereby the Promoter Group, our Directors or their relatives have financed the purchase by any other person of securities of the Issuer other than in the normal course of the business of the financing entity during the period of six months immediately preceding the date of filing this Draft Red Herring Prospectus.

SECTION III – INTRODUCTION

SUMMARY OF INDUSTRY

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

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The Real Estate Sector in India

The real estate business involves the purchase, development, sale and lease of land, including both residential and non-residential buildings.

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

The above trend has contributed to the development of reliable indicators of value and organized investment in the real estate sector by domestic and international financial institutions and has resulted in a greater availability of financing for real estate developers.

These trends have been reinforced by the substantial growth in the Indian economy, which stimulated demand for land and developed real estate. Demand for residential, commercial and retail real estate increased throughout India up to the first half of 2008, accompanied by increased demand for hotel accommodation and improved infrastructure. Additionally, the tax and other benefits applicable to Special Economic Zones ("**SEZs**") are expected to result in a new source of demand.

The real estate market in India had witnessed significant growth over the past few years, with average residential capital values more than doubling between 2005 and the first half of 2008. However, demand for houses plummeted during the second half of 2008, as the global economic deceleration compelled investors to pull out of the market due to wealth erosion as well as the rising risk of negative returns. Home buyers also put their purchasing plans on hold due to home affordability levels decreasing and job-related uncertainties. Tightening of lending standards by banks and the slowing business environment also led to a liquidity crisis among real estate developers, who were forced to offer discounts in order to attract buyers. Average residential capital values declined by 18-20% in March 2009 from the highs witnessed during the first half of 2008. *(Source: CRISIL Research: City Real(i)ty, 2009)* CRISIL Research expects investors to maintain a cautionary approach until capital values potentially stabilize in 2010.

Cushman & Wakefield Research has considered the demand estimates following the economic crisis which resulted in weakened business sentiments and demand contraction. The pan India cumulative demand during 2009 and 2013 is estimated to be 196 million sq. ft. for office space and 43 million sq. ft. for retail space. While demand in the hospitality segment is likely to be 690,000 rooms per night, and the residential segment is likely to be 7.5 million units for the period under consideration. (*Source: Cushman & Wakefield, Survival to Revival, 2009*)

SUMMARY OF BUSINESS

OVERVIEW

We are a leading real estate development company in India. We, together with our Promoters, have 25 years of experience in real estate development, having developed an aggregate of 24.54 million sq. ft. of Developable Area in the commercial, residential and retail segments of the real estate market. A substantial portion of our rental space is leased by customers in the IT/ITeS sector. Our projects are primarily based in Bangalore, and we have a growing presence in southern and western India, as well as a presence in overseas locations such as Malaysia and Serbia.

Our Company commenced operations in the real estate sector in 1993 under the name of Virwani Builders. In 2001 we commenced operations independently when Dynasty Developers Private Limited was merged with our Company. For further details, see the section titled *"History and Corporate Structure"* on page 202. Whilst our traditional geographic focus has been Bangalore, we commenced operations in Pune in 2004, Chennai in 2006, and Coimbatore in 2007. We commenced international operations in Malaysia in 2006 and Serbia in 2007.

Our portfolio of real estate developments spans the commercial, residential, retail and hospitality segments of the real estate industry. Our commercial real estate business includes the development of business parks for the IT/ITeS sector, SEZs and corporate office space. The majority of the Completed Projects in our commercial portfolio are built-to-suit and fit-out developments undertaken for specific clients. Going forward, we intend to undertake a combination of built-to-suit projects and projects done without pre-commitment. Our clients include Alcatel-Lucent, Atos Origin, ANZ, Cognizant, Computer Science Corporation, Fidelity, Geometric, IBM, LG Soft India, McAfee, Mercedes-Benz, Microsoft, NetApp, Nokia Siemens Networks, Supervalu, Target, Vodafone and Yahoo!.

We have a strong relationship with IBM which is evidenced by the fact that since 2003 IBM has occupied 4.51 million sq. ft. of Gross Leasable Area spread over 15 projects within three business parks in Bangalore and Pune. In addition, existing customers, including Atos Origin, NetApp, Nokia Siemens Network and LG Soft India, have committed to take up 2.34 million sq. ft. of new space by the end of 2012.

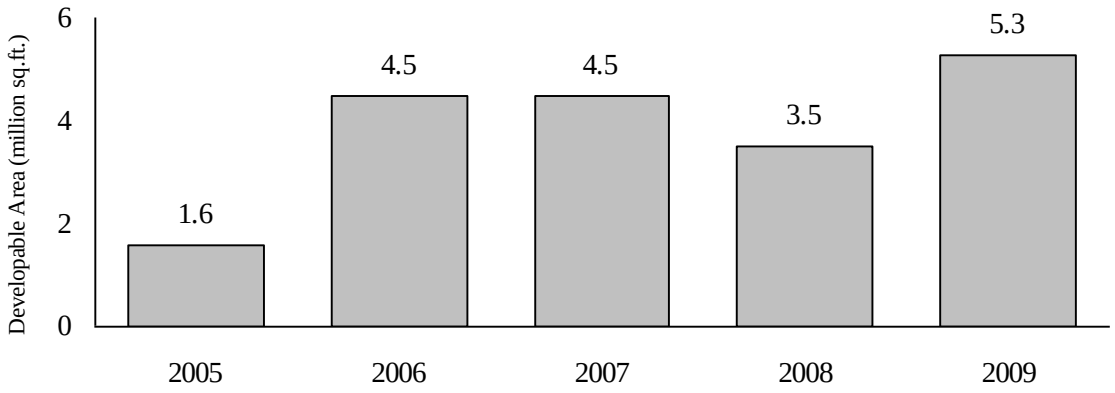
Our residential real estate business entails the development of residential projects ranging from luxury apartments and villas to townships, catering to the affordable housing as well as the middle and upper income segment of the residential property market. Our retail business comprises the development of retail malls and we generate revenues through the sale and lease of our retail projects. Our hospitality business entails the development, and ultimately the operation through third party operators, of hotels and serviced apartments aimed at supporting and complementing our commercial projects.

In our international operations, we have entered into a joint venture with Azikaf Sdn Bhd, a member of the Emkay Group, of Malaysia for the development of *MKN Embassy TechZone*, a business park being developed in Cyberjaya, Malaysia, which constitutes our first real estate development outside of India. This business park will have a total Developable Area of 4.58 million sq. ft., of which our Economic Interest will be 1.83 million sq. ft. Since 2008, 1.39 million sq. ft. of Developable Area has been sold. An additional 0.75 million sq. ft. is presently under development. This business park is part of our strategy to expand into destinations where we believe that IT/ITeS sector clients will seek to establish operations in future, and where our expertise in the development of IT/ITeS projects can be successfully deployed. Additionally, we intend to develop *Embassy TechZone, Serbia*, a business park in Indjija, Serbia. This business park will have a total Developable Area of 1.00 million sq. ft., of which our Economic Interest

will be 0.90 million sq. ft. The first phase of the business park will comprise a Developable Area of 0.25 million sq. ft., of which our Economic Interest will be 0.23 million sq. ft.

We have demonstrated a strong execution track record across the commercial and residential segments of the real estate market in south India, as well as outside India. We have completed 62 domestic and international commercial projects comprising a Developable Area of 18.73 million sq. ft. (of which our Economic Interest is 7.36 million sq. ft.). In addition, we have completed 19 residential projects comprising a Developable Area of 5.30 million sq. ft. (of which our Economic Interest is 1.56 million sq. ft.). These projects, along with our retail completed projects, are hereinafter referred to as our "**Completed Projects**".

As depicted in the graph below, in 2005, 2006, 2007, 2008 and 2009, we received Occupancy Certificates for 1.6 million sq. ft., 4.5 million sq. ft., 4.5 million sq. ft., 3.5 million sq ft. and 5.3 million sq. ft. of Developable Area, respectively.



We also believe that we have a strong pipeline of projects. We are currently developing 49.65 million sq. ft. of Developable Area, of which our Economic Interest is 27.74 million sq. ft., across 76 projects in each of the commercial, residential, retail and hospitality segments of the real estate market. This Developable Area includes 63 domestic and international commercial projects comprising a Developable Area of 36.95 million sq. ft. (of which our Economic Interest is 22.43 million sq. ft.), eight residential projects comprising a Developable Area of 10.56 million sq. ft. (of which our Economic Interest is 4.45 million sq. ft.), three retail projects comprising a Developable Area of 0.89 million sq. ft. (of which our Economic Interest is 0.39 million sq. ft.) and two hospitality projects comprising a Developable Area of 1.25 million sq. ft. (of which our Economic Interest is 0.47 million sq. ft.). We intend to generate revenue from our hospitality developments through the provision of operational, managerial and technical services, through a third party operator. Projects in respect of which we own the land or development rights (including through a joint venture), the requisite approvals for the commencement of construction required under law have been applied for and all internal development plans are in place, are hereinafter referred to as our "**Ongoing Projects**".

In addition, we have acquired an interest in land or development rights, begun the process of procuring all requisite approvals under law and are conducting development planning, for four commercial projects comprising a Developable Area of 20.22 million sq. ft. (of which our Economic Interest is 19.15 million sq. ft.), five residential projects comprising a Developable Area of 18.03 million sq. ft. (of which our

Economic Interest is 14.12 million sq. ft.), two retail projects comprising a Developable Area of 1.60 million sq. ft. (of which our Economic Interest is 1.43 million sq. ft.) and one hospitality project comprising a Developable Area of 0.41 million sq. ft. (of which our Economic Interest is 0.41 million sq. ft.). Projects in respect of which we have acquired an interest in land or development rights (including through a joint venture), begun the process of procuring all requisite approvals under law and commenced with development planning are hereinafter referred to as "**Proposed Projects**".

For details regarding our planned expenditure and funding for certain of our Ongoing Projects and Proposed Projects for which proceeds from the Issue will be used, see "*Objects of the Issue – Details of the Objects*". Information provided in respect of our Ongoing Projects and Proposed Projects is based on current management plans and subject to change.

As at June 30, 2010, the Developable Area of our Land Reserves aggregated into approximately 136.59 million sq. ft. For further details see the section titled "*Our Land Reserves*" on page 169.

While our revenue is principally derived from the lease of commercial and retail projects and the sale of residential projects and other fixed assets, we also generate revenues through a variety of other services provided by our real estate business. These services include the provision of project development and management services. We charge a fee for project development and management services that are provided in respect of all Ongoing Projects and Completed Projects (which are owned through our subsidiaries in which we hold less than a 100% interest, joint ventures or associates). This fee is usually between 5-8% of the construction cost of the project. Asset management services take place once construction of a project is complete and include business management services. This fee is typically 3% of a project's annual gross rental revenues.

OUR COMPETITIVE STRENGTHS

We believe that our principal competitive strengths are as follows:

An established track record and strong execution capability

We are a leading real estate development company in India. We have an established track record of executing real estate developments, particularly in the commercial and residential segments of the south Indian real estate market. We, together with our Promoters, have 25 years of experience in real estate development, having developed an aggregate of 24.54 million sq. ft. of Developable Area in the commercial, residential and retail segments of the real estate market.

Our track record is evidenced by our commercial developments for companies with IT/ITeS operations which include built-to-suit developments for clients such as Alcatel-Lucent, ANZ, Cognizant, Fidelity, IBM, LG Soft India, Microsoft, NetApp, Nokia Siemens Networks, 24/7 Customer and Yahoo!.

In addition, we have a track record of delivering projects to our customers' particular specifications and in accordance with national and international standards such as NFPA, Coral, FM Global, ADA, LEED, ASHRAE and IEEE. In addition, our long-standing relationships with project management firms such as Synergy Property Development ("**Synergy**"), to whom we outsource the project management of our developments, have helped us to ensure the timely delivery of our projects to our customers.

Ability to conceive, design, develop and manage IT business parks in a manner which builds our brand

We are able to conceive, design, develop and manage business parks targeted at clients in the IT/ITeS sector. *Manyata Embassy Business Park* and *Embassy Golflinks Business Park* offer technical features such as large floor plates, dual source primary power supply, redundant and automatic back-up power supplies, international standard air-conditioning, districting cooling systems, UL certified equipment, rain water harvesting systems, noise resistant and low emissivity glass facade, specific floor-loading, advanced fire detection and protection systems, building management systems, communication systems, mechanized parking systems and bus ducts. *Manyata Embassy Business Park* and *Embassy Golflinks Business Park* will offer hotels, residential projects and serviced apartments primarily aimed at supporting and complementing our existing commercial projects. The range of integrated amenities is intended to provide a unique lifestyle for the end-users, and will include features such as a variety of restaurants, retail spaces and spa facilities in a secure environment. We also make sure that our business parks have all the facilities our clients expect, including banks and ATM machines, ambulances, retail outlets, visitor parking, food courts and prayer facilities. We believe our integrated parks, which feature such amenities and services, are highly valued by IT/ITeS customers. We conceived and designed *Manyata Embassy Business Park* and *Embassy Golflinks Business Park* as business parks which would cater to the diverse requirements of our clients and we believe the above features differentiate these business parks from competing commercial developments in India.

This capability has helped us establish a reputable brand name as one of the leading developers in India catering to the IT/ITeS industry. In addition, we believe the strength of our brand is reflected by the fact that our Commercial and Retail Completed Project Vacancy Rate as of April 30, 2010 was 5.84% compared to an average of 19% for commercial projects in seven major cities across India, as of December 31, 2009. (*Source: Cushman & Wakefield Marketbeat Office Reports for Bangalore, Chennai, Hyderabad, Kolkata, Mumbai, National Capital Region (New Delhi, Gurgaon and Noida) and Pune, 4Q 2009*)

Strong customer relationships with multinational companies operating in India

As a result of our ability to anticipate our customers' needs and develop space in locations where our customers are expanding, we have been able to establish long-term relationships with leading multinational customers in the IT/ITeS and financial services industry (such as IBM, Fidelity and ANZ). For example, since 2003 IBM has occupied 4.51 million sq. ft. of Gross Leasable Area spread over 15 projects within three business parks in Bangalore and Pune. Our strong relationships with our key clients are evidenced from the repeat business we receive from them. As of April 30, 2010, 52.4% of the Gross Leasable Area of our commercial Completed Projects, including new space already committed to, was repeat business leased to clients who had previously leased space in our commercial Completed Projects. For details of the space we have delivered to certain key clients, see "*Our Key Commercial Real Estate Clients*" on page 144.

We have strengthened our relationships with key customers by understanding and anticipating their needs in relation to location, project specifications, project size, timing and budget, as well as by providing end-to-end business solutions, including the provision of incubator spaces and built-to-suit facilities. We have a number of meetings and conduct preliminary business development activities in advance of a project being authorized in order to be ready to deliver new space quickly once authorized by a client.

In addition, we believe we are one of the few real estate developers based in India that has experience developing projects outside India. We believe this experience is viewed favorably by our multinational clients.

Strong asset base and near- to medium-term cash flow generating potential

The Completed Projects in our commercial and retail portfolios comprise a Developable Area of 19.25 million sq. ft. We, along with our Subsidiaries, Associates and joint venture partners, continue to own an interest in 14.19 million sq. ft. of Developable Area, out of which we have an Economic Interest of 5.26 million sq. ft. and we continue to generate rental income from this portion of Completed Projects. In addition, the Developable Area of our Land Reserves aggregated into approximately 136.59 million sq. ft. As a result, we would benefit from any appreciation in the market value of such Land Reserves and/or Completed Projects. In the event our asset base appreciates, we will benefit from having the option of either retaining such assets for lease or divesting such assets to benefit from the capital appreciation. In addition, we believe facility rental income from these Completed Projects will continue to generate stable cash flows.

Moreover, we expect to benefit from stable cash flows from commercial Ongoing Projects to be leased. Our commercial portfolio includes 63 Ongoing Projects, comprising a Developable Area of 36.95 million sq. ft. (of which our Economic Interest is 22.43 million sq. ft.). We expect to complete approximately 21.34% of our commercial Ongoing Projects by 2011. In addition, certain tenants have already committed to 6.33% of the Developable Area of our commercial Ongoing Projects. Our lease agreements typically include lock-in provisions with fixed rental escalations on a periodic basis.

Meanwhile, our residential portfolio consists of eight Ongoing Projects comprising a Developable Area of 10.56 million sq. ft. (of which our Economic Interest is 4.45 million sq. ft.) and five Proposed Projects comprising a Developable Area of 18.03 million sq. ft. (of which our Economic Interest is 14.12 million sq. ft.). We generate cash from residential sales at the time of entering into an agreement for sale and when certain milestones for construction are reached.

Scalable business model and long-standing relationships with consultants and contractors

We believe that keeping our organizational and staff structure lean and outsourcing certain activities of the real estate development process (such as construction) have allowed us to increase the scale of our operations, while ensuring that we carry on our existing operations in an efficient and timely manner. We also believe that by establishing and nurturing relationships with leading companies in the various fields of real estate project development, we are able to leverage on their specialized experience, expertise and manpower. In addition, selective outsourcing to consultants and contractors facilitates effective capital and cash management, and reduces our overheads.

We have long-standing relationships with architects (we have an 11 year relationship with RSP Design Consultants Private Limited and a 21 year relationship with Team 2 Architects & Consulting Engineers), project managers (we have a seven year relationship with Synergy), engineers (we have a 10 year relationship with Potential Engineering Consultants), civil contractors (we have an eight year relationship with BL Kashyap and Sons), facade contractors (we have an 11 year relationship with Alufit (India) Private Limited) and electrical contractors (we have a 20 year relationship with Vijaya Electricals). These relationships enable us to better negotiate services from these consultants and contractors. We believe this outsourcing model is key to the successful development of our projects.

Professional management team with a strong track record

Our executive directors are senior experienced professionals and have an average of 20 years of experience in real estate development. Our key management team consists of specialists in their respective business

functions such as operations, finance, marketing, legal, human resources and business development and has an average tenure at our Company of five years. Our employees have an average tenure within the Group of six years and average work experience of 13 years. We believe the extensive experience of our management team helps us to anticipate the trends and requirements of the real estate market, identify and acquire lands at prices which we believe to be at or below market rates and in locations where we believe there is strong demand and ensures high quality and timely delivery to our clients. In addition, we believe that these strengths make us a preferred partner for joint ventures and joint developments.

We also believe that our management team has a strong track record of developing real estate projects in strategic locations that are desirable for both commercial and residential developments owing to their proximity to facilities such as hospitals, hotels, business districts, transportation links, restaurants, retail outlets and natural surroundings, such as *Embassy Golflinks Business Park*, *Embassy Icon* and *Embassy Woods*. We believe that access to these facilities and the locations of our developments make our residential projects appealing to medium to high income customers in the market for residential developments, and our commercial projects appealing to multinational customers, particularly, in the IT/ITeS sector.

OUR STRATEGY

The key elements of our business strategy are as follows:

Continue to develop commercial projects catering to the needs of our IT/ITeS customers

In order to leverage our reputation as one of the leading real estate developers catering to the IT/ITeS industry, we intend to expand our real estate development operations to locations where we believe that our IT/ITeS industry clients will seek to establish commercial operations in the future.

With respect to format, in India, the majority of the Completed Projects in our commercial portfolio are built-to-suit and fit-out developments undertaken for specific clients. These projects are designed and constructed as per the specifications of the end-user of the project, which is often done in a "campus" style with integrated facilities. Going forward, we intend to undertake a combination of built-to-suit projects and projects done without pre-commitment, in formats which we believe will continue to be attractive to our IT/ITeS customers. Furthermore, we intend to focus on making all of our projects environmentally friendly, as such initiatives are a continuing focus of our clients. For example, at Mulberry, *Manyata Embassy Business Park*, pursuant to the gold standard of the Leadership in Energy and Environmental Design ("**LEED**") Green Building Rating System, we have installed specialized glass windows and a heat recovery wheel (which recovers lost heat wasted in air conditioning) to make the buildings more energy efficient. We expect to obtain carbon credits through the clean development mechanism ("**CDM**") issued pursuant to the guidelines of the United Nations Framework Convention on Climate Change ("**UNFCCC**") for projects such as *Embassy TechSquare*. Our buildings are also designed to utilize natural light in order to save energy.

For an example of locations preferred by our clients, we believe *Embassy Knowledge Park*, proposed to be developed in Bangalore, would be a popular location for our IT/ITeS customers due to its location between the city center and the Bangalore International Airport. Similarly, *Embassy TechZone* in Pune is located in close proximity to the Mumbai-Pune expressway which provides easy access to the city. We also intend to expand our overseas operations and invest in commercial projects for our customers in the IT/ITeS industry in select foreign locations. We have entered into a joint venture with the Azikaf Sdn, Bhd, a member of the Emkay Group, of Malaysia, for the development of *MKN Embassy TechZone*, a business park being

developed in Cyberjaya. Additionally, we intend to develop *Embassy TechZone, Serbia,* a business park in Indjija, Serbia.

Strengthen our existing leadership position in south India

We intend to continue to focus on, and strengthen our leadership position in, the commercial real estate market in south India. We believe this region is one of the most attractive real estate markets in India in terms of depth of demand for real estate developments across business segments, particularly in the IT/ITeS industry. We believe that the real estate market in the Bangalore Metropolitan Area has unsatisfied demand for commercial projects. For example, according to Cushman & Wakefield Research, renewed interest by the Indian corporate sector following the economic crisis will lead to a cumulative demand for commercial space in Bangalore of approximately 34 million sq. ft. between 2009 and 2013, the highest expected cumulative demand in any city in India. In addition, Pune is expected to achieve a compound annual growth rate of demand for commercial real estate of 28% between 2009 and 2013, (*Source: Cushman & Wakefield Research: Survival to Revival, 2009*). We expect that built-to-suit commercial developments and business parks for the IT/ITeS sector will continue to be a major strategic focus in the medium- to long-term.

While we will continue to focus on the real estate market in the Bangalore Metropolitan Area, we will also evaluate attractive growth opportunities in other locations in south India based on criteria such as potential demand for real estate and competition, such as Hyderabad, Chennai and Cochin.

Increase portfolio of residential projects

We intend to focus on the development of projects in our residential portfolio across three segments: premium housing, integrated business parks and affordable housing. The growth of our residential portfolio is further evidenced by the increase in square footage under development from 10.56 million sq. ft. of Developable Area of our Ongoing Projects to 18.03 million sq. ft. of Developable Area of our Proposed Projects. In addition, the locations of our residential projects are attractive to prospective clients due to their proximity to our commercial developments, for example *Manyata Embassy Business Park*.

While our offerings currently cater to middle- and upper-income customers, we intend to target lower income groups in the affordable housing segment without compromising on the quality of our developments. For example, through our joint venture relationship with MK Land Sdn Bhd ("**MK Land**") in Malaysia, we intend to develop affordable housing projects in India. We believe that increasing our portfolio of residential projects in this manner will enable us to diversify our overall real estate development portfolio and become a residential developer across a diverse range of price segments and income groups.

In addition to the foregoing, we intend to actively market our residential projects to the employees of the companies located within our business parks. We believe the employees of prospective tenants will be interested in our residential projects given their familiarity with our brand.

Continue to expand and develop our Land Reserves

We believe that continuing to expand and develop our Land Reserves is critical to increasing our market penetration across the various market segments in which we operate. We intend to continue acquiring land at strategic locations in Bangalore and across India in all of our industry segments. We believe that we have enhanced our Land Reserves by acquiring large and contiguous parcels of land at competitive costs from

private parties or governments, thereby allowing us to undertake large scale commercial, residential, retail and hospitality projects. We also focus on geographic regions where we see capital appreciation opportunities once the Land Reserves are developed.

Expand our existing projects and develop additional integrated properties

We intend to expand our existing projects as part of our real estate development business. Such expansion will include the development of hotels, residential projects and serviced apartments primarily aimed at supporting and complementing our existing commercial projects. The range of integrated amenities is intended to provide a unique lifestyle for the end-users, and will include features such as, a variety of restaurants, retail spaces and health and spa facilities. In addition, the business parks will benefit from security and communication facilities. *Manyata Embassy Business Park* will be an example of this type of business park.

Continue to focus on active asset management of our commercial Completed Projects

We actively manage our commercial Completed Projects, including by maintaining a dialogue with our clients to learn how the projects may be improved. For example, we have refurbished certain fit outs, enhanced security systems and added environmentally friendly features (such as rain-water harvesting) at certain projects. By actively managing and upgrading such projects, we believe that we can improve client satisfaction, reduce vacancies and increase rental rates.

SUMMARY FINANCIAL INFORMATION

The following tables set forth our selected historical information derived from the restated consolidated and unconsolidated financial information for eleven months ended Februrary 28, 2010 and Fiscal 2009, 2008,2007,2006,2005. The restated summary consolidated and unconsolidated financial information presented below should be read in conjunction with the restated financial information included in this Draft Red Herring Prospectus, the notes thereto and " Management's Discussion and Analysis of Financial Condition and Results of Operations" on page 435.

STATEMENT OF CONSOLIDATED ASSETS AND LIABILITIES, AS RESTATED

Rs in millions

	As at 31 March					As at 28 February
PARTICULARS	**2005**	**2006**	**2007**	**2008**	**2009**	**2010**
1. FIXED ASSETS :						
a) Gross block	36.04	322.31	1,109.49	693.03	11,126.84	14,464.57
b) Less : Accumulated depreciation	9.83	22.24	92.33	79.18	552.13	768.14
c) Net block	**26.21**	**300.07**	**1,017.16**	**613.85**	**10,574.71**	**13,696.43**
d) Capital work-in-progress including capital advances	324.60	574.11	528.46	2,852.58	3,235.80	2,904.80
Total	**350.81**	**874.18**	**1,545.62**	**3,466.43**	**13,810.51**	**16,601.23**
2. GOODWILL	-	-	-	0.33	12,775.24	12,917.27
3. INVESTMENTS	10.75	35.44	165.67	400.97	331.72	393.88
4. CURRENT ASSETS, LOANS AND ADVANCES :						
a) Inventories (including contract work-in-progress)	403.57	781.83	461.01	805.78	2,976.81	1,451.83
b) Sundry debtors	147.19	261.50	355.87	807.69	948.08	531.34
c) Cash and bank balances	38.96	141.12	426.74	482.89	626.58	683.75
d) Current assets, loans and advances	1,879.61	3,612.62	4,146.18	4,220.58	6,097.18	5,404.76
Total	**2,469.33**	**4,797.07**	**5,389.80**	**6,316.94**	**10,648.65**	**8,071.68**
5. LIABILITIES AND PROVISIONS :						
a) Secured loans	330.83	2,031.79	2,331.22	3,866.03	13,424.45	14,492.98
b) Unsecured loans	338.06	860.99	784.19	811.73	1,248.18	1,218.75
c) Current liabilities and provisions	2,009.41	2,481.79	3,396.73	4,452.73	8,067.36	7,580.72
d) Deferred tax liability (net)	25.24	70.20	73.42	124.89	109.34	32.04
Total	**2,703.54**	**5,444.77**	**6,585.56**	**9,255.38**	**22,849.33**	**23,324.49**
6. NET WORTH (1 + 2 + 3 + 4 - 5)	**127.35**	**261.92**	**515.53**	**929.29**	**14,716.79**	**14,659.57**
NET WORTH REPRESENTED BY						
7. SHARE CAPITAL						
a) Equity share capital	25.59	25.59	25.59	25.59	25.59	25.59
8. RESERVES AND SURPLUS						
a) Profit and loss account	101.76	236.33	489.94	677.77	640.96	634.80
b) General reserve	-	-	-	-	12,932.20	12,921.76

c) Foreign currency translation reserve	-	-	(0.00)	0.49	11.90	(5.93)
d) Capital reserve	-	-	-	225.24	995.79	1,000.40
9. Minority Interest	-	-	-	0.20	110.35	82.95
10. NET WORTH (7 + 8 + 9)	**127.35**	**261.92**	**515.53**	**929.29**	**14,716.79**	**14,659.57**

Note:

The above statement should necessarily be read with notes to Restated Consolidated Summary Statements and significant accounting policies as appearing in Annexures IV and V.

STATEMENT OF CONSOLIDATED PROFITS AND LOSSES, AS RESTATED

Rs in millions	For the year ended 31 March					From 1 April 2009 to 28 February
PARTICULARS	**2005**	**2006**	**2007**	**2008**	**2009**	**2010**
INCOME :						
Income from operations						
- Proceeds from sale of land and constructed properties	94.77	11.52	430.81	297.16	1,068.29	1,723.73
- Gain on sale of leased property	-	-	-	105.73	315.35	18.79
- Revenue from construction contracts	101.10	219.55	524.83	130.94	55.19	159.70
- Facility rental	42.77	77.91	139.54	167.90	1,139.84	1,562.88
- Business consultancy	248.11	438.57	356.52	236.72	165.46	120.57
- Miscellaneous	-	-	-	-	88.54	124.24
Other income	12.47	15.69	37.57	134.34	352.38	118.71
Total	**499.22**	**763.24**	**1,489.27**	**1,072.79**	**3,185.05**	**3,828.62**
EXPENDITURE :						
Cost of inventories sold	214.57	211.21	487.11	183.04	496.79	916.28
Operating and administrative expenses	113.84	194.50	419.40	403.62	1,040.19	990.15
Interest and finance charges	30.98	145.00	152.49	233.33	1,255.41	1,609.24
Depreciation	4.05	13.59	70.09	58.53	209.15	256.14
Total	**363.44**	**564.30**	**1,129.09**	**878.52**	**3,001.54**	**3,771.81**
Profit before tax	**135.78**	**198.94**	**360.18**	**194.27**	**183.51**	**56.81**
Less: Provision for tax						
a) Current tax	20.71	17.68	101.23	50.75	262.66	170.04
b) Fringe benefit tax	-	1.32	2.05	3.11	3.78	0.03
c) Deferred tax charge/ (credit)	22.84	44.96	3.23	51.46	(30.66)	(78.68)
Total	**43.55**	**63.96**	**106.51**	**105.32**	**235.78**	**91.39**
Profit / (loss) before share of associates and minority interest	**92.23**	**134.98**	**253.67**	**88.95**	**(52.27)**	**(34.58)**
Share of (loss) /profit from associates	-	(0.41)	(0.06)	98.88	(0.83)	1.09
Net profit / (loss) for the year	**92.23**	**134.57**	**253.61**	**187.83**	**(53.10)**	**(33.49)**
Minority's share of losses in subsidiaries	-	-	-	-	16.29	27.33
Net Profit / (Loss) for the year attributable to parent	**92.23**	**134.57**	**253.61**	**187.83**	**(36.81)**	**(6.16)**

Add: Balance in profit and loss account brought forward, as restated	9.53	101.76	236.33	489.94	677.77	640.96
Balance carried forward to balance sheet, as restated	**101.76**	**236.33**	**489.94**	**677.77**	**640.96**	**634.80**

Note :

1 The above statement should be necessarily read with notes to Restated Consolidated Summary Statements and significant accounting policies as appearing in Annexures IV and V.

STATEMENT OF CONSOLIDATED CASH FLOWS, AS RESTATED

Rs in millions	For the year ended 31 March					From 1 April 2009 to 28 February
PARTICULARS	**2005**	**2006**	**2007**	**2008**	**2009**	**2010**
A) Cash flow from operating activities						
Net profit before tax after income from associates, as restated	135.78	198.53	360.12	293.15	182.68	57.90
Adjustments for:						
Depreciation	4.05	13.59	70.09	58.53	209.15	256.14
Interest expense	30.98	145.00	152.49	231.54	1,250.40	1,563.44
Dividend income	(1.00)	(0.90)	(0.72)	(3.73)	-	0.00
Increase / (Decrease) in foreign currency translation reserve	-	-	-	-	11.24	(17.66)
Advances and bad debts written off	-	-	22.65	-	76.58	1.45
Provision for doubtful advances	-	-	-	-	103.73	-
Loss on sale of investments/ provision for diminution of investments	-	-	13.98	(9.14)	9.04	1.30
Profit on sale of fixed assets	-	-	-	(105.73)	(38.18)	(15.28)
Unrealised foreign exchange loss / (gain)	-	-	-	22.62	-	8.74
Interest income	(0.07)	(3.17)	7.90	(102.91)	(309.72)	(60.45)
Operating profit before changes in working capital	**169.74**	**353.05**	**626.51**	**384.34**	**1,494.90**	**1,795.58**
(Increase)/ Decrease in sundry debtors	(99.34)	(114.31)	(94.37)	(451.82)	9.15	399.53
(Increase)/ Decrease in loans and advances and other current assets	(1,250.78)	(1,752.46)	(499.35)	(74.80)	2,503.80	711.32
Decrease/ (Increase) in inventories	(283.97)	(378.27)	320.81	(344.77)	(279.33)	(214.20)
(Decrease)/ Increase in current liabilities and provisions	1,536.36	472.70	884.37	(150.62)	(658.34)	(709.06)
Cash inflow / (outflow) from operating activities	72.01	(1,419.28)	1,237.97	(637.68)	3,070.17	1,983.17
Adjustments for:						
Income taxes paid	(47.85)	0.12	(145.50)	(90.19)	(364.17)	(219.58)
Net cash flow from operating activities [A]	**24.16**	**(1,419.16)**	**1,092.47**	**(727.87)**	**2,706.00**	**1,763.59**
Cash flow from investing activities						
Purchase of fixed assets	(195.56)	(537.09)	(724.60)	(2,216.06)	(3,979.93)	(1,363.88)
Proceeds from sale of fixed assets	0.27	0.13	-	585.46	1,764.27	88.55
Advance received for sale of assets	-	-	-	977.77	-	-
Interest received	0.07	3.17	(7.90)	102.91	347.16	60.45
Dividend income	1.00	0.90	0.72	3.73	-	-
Sale / (purchase) of investments, net	(3.34)	(24.69)	(145.21)	(225.70)	(82.88)	(207.56)
Net cash flow from investing activities [B]	**(197.57)**	**(557.58)**	**(876.98)**	**(771.89)**	**(1,951.38)**	**(1,422.45)**
Cash flow from financing activities:						
Proceeds from borrowings	230.65	2,223.90	222.63	1,562.34	(312.35)	1,041.31
Issue of share capital by the subsidiary / joint venture entities	-	-	-	225.10	555.82	-
Interest paid	(30.98)	(145.00)	(152.49)	(231.54)	(1,252.75)	(1,564.97)
Net cash flow from financing activities [C]	**199.67**	**2,078.90**	**70.14**	**1,555.90**	**(1,009.28)**	**(523.66)**
Net Increase / (decrease) in cash and cash	26.26	102.16	285.63	56.15	(254.65)	(182.52)

equivalents [A+B+C]						
Cash acquired on acquisitions made during the year	-	-	-	-	294.32	26.46
Cash and cash equivalents at the beginning of the year / period	12.70	38.96	141.12	426.74	482.89	522.56
Cash and cash equivalents at the end of the year / period	**38.96**	**141.12**	**426.74**	**482.89**	**522.56**	**366.50**
Cash and cash equivalents comprise:						
Cash and bank balances	38.96	141.12	426.74	482.89	626.58	683.75
Book overdraft	-	-	-	-	(104.03)	(317.25)
	38.96	**141.12**	**426.74**	**482.89**	**522.56**	**366.50**

Note:

1 The cash flow statement has been prepared under the indirect method as set out in Accounting Standard - 3 on Cash Flow Statements as prescribed under by the Companies (Accounting Standards) Rules, 2006.

The above statement should be necessarily read with notes to Restated Consolidated Summary Statements and significant accounting policies as appearing in Annexures IV and V.

STATEMENT OF UNCONSOLIDATED ASSETS AND LIABILITIES, AS RESTATED

(Rs in millions)	As at 31 March					As at 28 February
PARTICULARS	**2005**	**2006**	**2007**	**2008**	**2009**	**2010**
1. FIXED ASSETS :						
a) Gross block	35.88	268.32	948.11	634.44	1,048.43	3,177.81
b) Less : Accumulated depreciation	9.83	22.21	92.28	79.10	83.80	49.54
c) Net block	26.05	246.11	855.83	555.34	964.63	3,128.27
d) Capital work-in-progress including capital advances	324.60	431.00	329.67	2,620.71	881.63	249.12
Total	**350.65**	**677.11**	**1,185.50**	**3,176.05**	**1,846.26**	**3,377.39**
2. INVESTMENTS	**9.97**	**130.68**	**259.50**	**508.23**	**13,038.90**	**13,458.71**
3. DEFERRED TAX ASSET (net)	**–**	**–**	**–**	**–**	**–**	**18.88**
4. CURRENT ASSETS, LOANS AND ADVANCES :						
a) Inventories (including contract work-in-progress)	42.21	366.33	354.66	399.32	2,076.96	377.50
b) Sundry debtors	147.19	261.50	323.83	607.07	479.75	217.83
c) Cash and bank balances	33.82	123.91	422.12	262.29	237.42	98.82
d) Current assets, loans and advances	1,819.62	3,546.70	4,070.35	4,373.52	5,090.20	3,402.82
Total	**2,042.84**	**4,298.44**	**5,170.96**	**5,642.20**	**7,884.33**	**4,096.97**
5. LIABILITIES AND PROVISIONS :						
a) Secured loans	281.33	1,860.52	2,178.72	3,683.11	2,767.51	2,141.80
b) Unsecured loans	301.06	810.41	733.61	748.78	1,300.35	1,112.05
c) Current liabilities and provisions	1,668.48	2,103.17	3,114.21	4,052.40	4,651.79	3,836.91
d) Deferred tax liability (net)	25.24	70.21	73.45	124.90	77.92	–
Total	**2,276.11**	**4,844.31**	**6,099.99**	**8,609.19**	**8,797.56**	**7,090.76**
6. NET WORTH (1 + 2 + 3 + 4 - 5)	**127.35**	**261.92**	**515.97**	**717.29**	**13,971.93**	**13,861.19**
NET WORTH REPRESENTED BY						
7. SHARE CAPITAL						
Equity share capital	25.59	25.59	25.59	25.59	25.59	25.59
8. RESERVES AND SURPLUS						
General reserve	–	–	–	–	12,932.20	12,921.76
Balance in profit and loss account	101.76	236.33	490.38	691.70	1,014.14	913.84
9. NET WORTH (7 + 8)	**127.35**	**261.92**	**515.97**	**717.29**	**13,971.93**	**13,861.19**

Note:

1 The above statement should be necessarily read with notes to Restated Summary Statements and the significant accounting policies as appearing in Annexures IV and V.

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STATEMENT OF UNCONSOLIDATED PROFIT AND LOSS ACCOUNT, AS RESTATED

(Rs in millions)	For the year ended 31 March					From 1 April 2009 to 28 February
PARTICULARS	**2005**	**2006**	**2007**	**2008**	**2009**	**2010**
INCOME :						
Income from operations						
- Proceeds from sale of land and constructed properties	94.77	11.52	430.81	297.16	454.48	684.47
- Gain on sale of leased property	–	–	–	105.73	573.97	4.47
- Revenue from construction contracts	101.10	219.55	–	–	–	–
- Facility rental income	42.77	77.91	139.54	167.90	179.46	13.74
- Business consultancy income	248.11	438.57	356.52	236.72	300.22	181.02
- Share of profit in partnership firms	0.57	(0.15)	26.34	109.02	0.56	29.94
Other income	11.28	14.48	34.50	124.08	123.98	6.40
Total	**498.60**	**761.88**	**987.71**	**1,040.61**	**1,632.67**	**920.04**
EXPENDITURE :						
Cost of inventories sold	214.57	211.21	–	66.48	75.42	170.51
Operating and administrative expenses	113.22	193.59	418.75	380.93	713.70	565.29
Interest and finance charges	30.98	145.00	151.97	232.51	296.90	306.07
Depreciation	4.05	13.55	70.07	58.30	52.66	12.66
Total	**362.82**	**563.35**	**640.79**	**738.22**	**1,138.68**	**1,054.53**
Profit before tax	**135.78**	**198.53**	**346.92**	**302.39**	**493.99**	**(134.49)**
Less: Provision for tax						
a) Current tax	20.71	17.68	87.59	46.50	215.25	62.65
b) Fringe benefit tax	–	1.32	2.05	3.11	3.23	–
c) Deferred tax charge/ (credit)	22.84	44.96	3.23	51.46	(46.93)	(96.84)
Total	**43.55**	**63.96**	**92.87**	**101.07**	**171.55**	**(34.19)**
Profit after tax, as restated	**92.23**	**134.57**	**254.05**	**201.32**	**322.44**	**(100.30)**
Add: Balance in profit and loss account brought forward, as restated	9.53	101.76	236.33	490.38	691.70	1,014.14
Amount available for appropriation	**101.76**	**236.33**	**490.38**	**691.70**	**1,014.14**	**913.84**
Appropriations						
a) Dividend	–	–	–	–	–	–
b) Tax on dividend	–	–	–	–	–	–
c) Bonus shares issued by capitalization of profits	–	–	–	–	–	–
Balance carried forward to balance sheet, as restated	**101.76**	**236.33**	**490.38**	**691.70**	**1,014.14**	**913.84**

Note:

1 The above statement should be necessarily read with notes to Restated Summary Statements and the significant accounting policies as appearing in Annexures IV and V.

STATEMENT OF UNCONSOLIDATED CASH FLOWS, AS RESTATED

(Rs in millions)	For the year ended 31 March					From 1 April 2009 to 28 February
PARTICULARS	**2005**	**2006**	**2007**	**2008**	**2009**	**2010**
A) Cash flow from operating activities						
Net profit/(loss) before tax, as restated	135.78	198.53	346.92	302.39	493.99	(134.49)
Adjustments for:						
Depreciation	4.05	13.55	70.07	58.30	52.66	12.66
Interest paid	30.98	145.00	151.97	232.51	293.13	296.97
Dividend income	–	(0.72)	–	(2.14)	(1.31)	(0.63)
Interest income	(0.07)	(3.17)	(7.90)	(102.91)	(99.83)	(4.84)
Profit on sale of shares	–	–	–	(10.62)	–	–
Profit on sale of fixed assets	–	–	–	(105.73)	(573.97)	(4.47)
Bad debts written off	–	–	–	–	73.78	–
Provision for doubtful advances	–	–	–	–	103.73	–
Provision for diminution in value of investments	–	–	13.98	1.32	5.78	–
Share of profit from partnership firm	–	–	–	–	–	(29.94)
Unrealized foreign exchange loss / (gain)	–	–	–	–	(6.97)	(0.88)
Operating profit before changes in working capital	**170.74**	**353.19**	**575.04**	**373.12**	**340.99**	**134.38**
Decrease / (increase) in inventories	73.43	(324.12)	11.67	(44.67)	61.54	(89.54)
Decrease / (increase) in sundry debtors	(99.34)	(114.31)	(62.33)	(283.24)	56.14	244.70
Decrease / (increase) in other current assets	(40.01)	(555.27)	299.71	(945.85)	558.29	1,190.97
Decrease / (increase) in loans and advances	(1,157.50)	(1,191.26)	(767.50)	665.37	(256.90)	520.89
Increase / (decrease) in current liabilities	1,186.76	446.65	992.92	681.55	(614.73)	(771.41)
Increase / (decrease) in provisions	(1.95)	(11.64)	1.18	0.75	9.45	(16.64)
Cash outflow from operating activities	132.13	(1,396.76)	1,050.70	447.03	154.78	1,213.34
Adjustments for:						
Income taxes paid	(37.37)	0.12	(145.50)	(72.30)	(101.92)	(82.18)
Net cash generated / (used) from operating activities [A]	**94.76**	**(1,396.64)**	**905.21**	**374.73**	**52.86**	**1,131.17**
Cash flow from investing activities						
Purchase of fixed assets	(195.40)	(340.14)	(561.52)	(2,178.38)	(74.00)	(155.43)
Proceeds from sale of fixed assets	0.27	0.13	–	478.28	44.54	41.66
Advance received for sale of assets	–	–	–	–	654.80	–
Sale / (purchase) of investments, net	(2.42)	(120.70)	(142.80)	(239.43)	(151.30)	(419.81)
Interest received	0.07	3.17	7.90	102.91	99.73	4.84
Dividends received	–	0.72	–	2.14	1.31	0.63
Net cash generated / (used) from investing activities [B]	**(197.49)**	**(456.82)**	**(696.42)**	**(1,834.49)**	**575.07**	**(528.12)**
Cash flow from financing activities:						
Secured loans from banks and financial institutions received/(repaid)	143.62	1,579.19	318.21	1,504.39	(189.89)	(454.46)
Loans (given) / recovered	–	–	–	–	(161.41)	(42.44)
Unsecured loans received/(repaid)	22.50	509.35	(76.80)	15.17	(30.92)	(188.30)
Interest paid	(30.98)	(145.00)	(151.97)	(219.63)	(300.90)	(297.59)

(Rs in millions)	For the year ended 31 March					From 1 April 2009 to 28 February
PARTICULARS	**2005**	**2006**	**2007**	**2008**	**2009**	**2010**
Net cash generated / (cash) from financing activities [C]	**135.14**	**1,943.55**	**89.43**	**1,299.93**	**(683.12)**	**(982.78)**
Net Increase / (decrease) in cash and cash equivalents [A+B+C]	**32.42**	**90.09**	**298.22**	**(159.83)**	**(55.18)**	**(379.74)**
Cash and cash equivalents at the beginning of the year / period	1.40	33.82	123.91	422.12	262.29	207.34
Cash acquired pursuant to merger	–	–	–	–	0.23	–
Cash and cash equivalents at the end of the year / period	**33.82**	**123.91**	**422.12**	**262.29**	**207.34**	**(172.39)**
Cash and cash equivalents comprise:						
Cash and bank balances	33.82	123.91	422.12	262.29	237.42	98.82
Book overdraft	–	–	–	–	(30.08)	(271.21)
	33.82	**123.91**	**422.12**	**262.29**	**207.34**	**(172.39)**

Note:

1 The cash flow statement has been prepared under the indirect method as set out in Accounting Standard - 3 on Cash Flow Statements as prescribed under by the Companies (Accounting Standards) Rules, 2006.

The above statement should be necessarily read with notes to Restated Summary Statements and the significant accounting policies as appearing in Annexures IV and V.

THE ISSUE

The following table summarises the Issue details:

Equity Shares offered:	
Issue by our Company[1]	[●] Equity Shares
Of which	
A) QIB portion[2]	At least [●] Equity Shares
Of Which	
Anchor Investor Portion	[●] Equity Shares
Net QIB Portion	[●] Equity Shares
Of Which	
Available for allocation to Mutual Funds only	[●] Equity Shares
Balance for all QIBs including Mutual Funds	[●] Equity Shares
B) Non-Institutional Portion[3]	At least [●] Equity Shares
C) Retail Portion[3]	At least [●] Equity Shares
Equity Shares outstanding prior to the Issue	[●] Equity Shares
Equity Shares outstanding after the Issue	[●] Equity Shares
Equity Shares outstanding after the Issue (assuming the outstanding vested options are completely exercised)	[●] Equity Shares
Use of Issue Proceeds	See "Objects of the Issue" on page 46

Allocation to all categories except the Anchor Investor Portion will be made on a proportionate basis.

(1) Our Company is considering a Pre-IPO Placement of up to 57,500,000 Equity Shares and/or aggregating up to Rs. 11,750,000,000 with certain investors. The Pre-IPO placement is at the discretion of our Company. Our Company will complete the issuance and allotment of such Equity Shares, if any, prior to the filing of the Red Herring Prospectus with the RoC. If the Pre-IPO Placement is completed, the Issue size would be reduced by the extent of such Pre-IPO Placement, subject to a minimum Issue size of 10% of the post Issue paid-up equity capital.

(2) Our Company may allocate up to 30% of the QIB Portion, i.e. [●] Equity Shares, to Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations. For details see "Issue Procedure" on page 586.

(3) Under-subscription, if any, in any category, except the QIB Portion, would be allowed to be met with spill-over from any other category or combination of categories at the discretion of our Company, in consultation with the JGCBRLMs, the BRLMs and the Designated Stock Exchange. If at least 50% of the Issue cannot be allotted to QIBs, then the entire application money will be refunded.

GENERAL INFORMATION

Our Company commenced operations as a partnership firm constituted under the Indian Partnership Act, 1932 on January 18, 1993 under the name and style of Virwani Builders with its registered office at No.3, Embassy Centre, 11 Crescent Road, Bangalore 560 001. The partners of the firm were Mohan Virwani, Raj Virwani, Jitendra Virwani, Sanjeev Wahi, Sonu Sanjeev Wahi and Anant Sanghvi. The partnership was reconstituted through a partnership deed dated April 1, 1996, between Mohan Virwani, Raj Virwani, Jitendra Virwani, Sanjeev Wahi, Sonu Sanjeev Wahi, Anant Sanghvi and Vandana Virwani. The partners of the firm entered into a supplementary deed of partnership dated July 15, 1996 and declared themselves as a joint stock company in the name of Virwani Builders Private Limited. Pursuant to a deed of co-partnery dated July 26, 1996, the firm was registered as a private limited company under Part IX of the Companies Act, on July 30, 1996 with the name Virwani Builders Private Limited and was allotted company identification number U85110KA1996PTC020897. All the business and property of the erstwhile joint stock company therefore became vested in our Company. Pursuant to a family settlement agreement dated January 9, 1999 between Jitendra Virwani, Vandana Virwani, Karan Virwani, Aditya Virwani, Mohan Virwani, Raj Mohan Virwani, Jaikishan Virwani, Jaya Jaikishan Virwani, Siddanth Virwani, Sanjeev Wahi and Sonu Sanjeev Wahi, the family property comprising several companies and partnership firms including past, present and future rights to any movable, immovable, tangible or intangible of any kind with regard to such properties were partitioned and as a result, several such companies including our Company and the Embassy logo were recognised as belonging to Jitendra Virwani. Pursuant to the approval of a scheme of amalgamation by the High Court of Karnataka through an order dated November 29, 2001, erstwhile Dynasty Developers Private Limited, a company incorporated on August 21, 1997, was merged with our Company with effect from April 1, 2000 and consequently our name was changed to Dynasty Developers Private Limited. Our name was changed to Embassy Property Developments Private Limited pursuant to a certificate of change of name dated April 1, 2010. Our Company was converted into a public limited company on May 25, 2010 with the name Embassy Property Developments Limited and received a fresh certificate of incorporation consequent upon change in status on May 25, 2010 from the RoC and was allotted a company identification number of U85110KA1996PLC020897.

Scheme of Amalgamation

As part of a restructuring, our Company along with Dynasty Stock Holdings Private Limited, Embassy Leasing Private Limited, Embassy Management Consultants Private Limited, Embassy Finvest Private Limited, Embassy Realtors Private Limited, Narpat Holdings Private Limited, Embassy Home Investment Private Limited, LJ-Victoria Properties Private Limited, Starwood Properties Private Limited and Polywood Properties Private Limited had filed a composite scheme of amalgamation under the Companies Act before the High Court of Karnataka ("**Scheme of Amalgamation**"). The Scheme of Amalgamation was approved by the Board and the respective boards of Dynasty Stock Holdings Private Limited, Embassy Leasing Private Limited, Embassy Management Consultants Private Limited, Embassy Finvest Private Limited, Embassy Realtors Private Limited, Narpat Holdings Private Limited, Embassy Home Investment Private Limited, LJ-Victoria Properties Private Limited, Starwood Properties Private Limited and Polywood Properties Private Limited, through resolutions dated November 10, 2008.

Pursuant to the approval of the Scheme of Amalgamation by the High Court of Karnataka through an order dated January 25, 2010 and upon filing of a certified true copy of the order with the RoC, Dynasty Stock Holdings Private Limited, Embassy Leasing Private Limited, Embassy Management Consultants Private Limited, Embassy Finvest Private Limited, Embassy Realtors Private Limited, Narpat Holdings Private Limited and Embassy Home Investment Private Limited, were merged with our Company with effect from April 1, 2008 and LJ-Victoria Properties Private Limited, Starwood Properties Private Limited and Polywood Properties Private Limited were de-merged from our Company with effect from April 1, 2009. The High Court of Karnataka had instructed all the parties to comply with the statutory and other legal requirements.

Our Company on February 16, 2010 filed a certified copy of the order of the High Court of Karnataka with the RoC. With the successful implementation of the Scheme of Amalgamation, the entire undertaking of

Dynasty Stock Holdings Private Limited, Embassy Leasing Private Limited, Embassy Management Consultants Private Limited, Embassy Finvest Private Limited, Embassy Realtors Private Limited, Narpat Holdings Private Limited and Embassy Home Investment Private Limited comprising all of its assets and liabilities have transferred and vested in our Company. Since the entire share capital of Dynasty Stock Holdings Private Limited, Embassy Leasing Private Limited, Embassy Management Consultants Private Limited, Embassy Finvest Private Limited, Embassy Realtors Private Limited, Narpat Holdings Private Limited and Embassy Home Investment Private Limited were held by our Company, there was no allotment of shares to any of its members. The rented retail property business of our Company, comprising of leasing of retail property on lease hold land at Victoria Embassy, No. 47/48, Bangalore Central Mall, Residency Road, Richmond Town, Bangalore 560 025, and provision of all related support and ancillary services in relation to such properties, has been transferred to LJ-Victoria Properties Private Limited, the rented commercial property business of our Company, comprising of leasing of 3rd floor of Embassy Icon Annex No 2, Infantry Road, Bangalore 560 001, 1st and 7th floors of Embassy Icon No. 3, Infantry Road, Bangalore 560 001 and the ground and mezzanine floors situated at Embassy Star No. 8 Palace Road, Vasant Nagar, Bangalore 560 052, and provision of all related support and ancillary services in relation to such properties, has been transferred to Starwood Properties Private Limited and the non-rented commercial property business of our Company carried out through the leasing of currently non–leased commercial office of Star Annex situated at Embassy Star - No 8 Palace Road, Vasanth Nagar, Bangalore 560 052, and provision of all related support and ancillary services in relation to such property, has been transferred to Polywood Properties Private Limited. One fully paid up equity share of Rs. 10 each of LJ-Victoria Properties Private Limited was issued and allotted to the shareholders of our Company for every 50 Equity Shares held in our Company. One fully paid up equity share of Rs. 10 each of Starwood Properties Private Limited was issued and allotted to the shareholders of our Company for every 170 Equity Shares held in our Company. One fully paid up equity share of Rs. 10 each of Polywood Properties Private Limited was issued and allotted to the shareholders of our Company for every 800 Equity Shares held in our Company. Upon the Scheme of Amalgamation coming into effect, Dynasty Stock Holdings Private Limited, Embassy Leasing Private Limited, Embassy Management Consultants Private Limited, Embassy Finvest Private Limited, Embassy Realtors Private Limited, Narpat Holdings Private Limited and Embassy Home Investment Private Limited have ceased to exist.

Registered Office of our Company

First Floor, Embassy Point
150, Infantry Road
Bangalore 560 001, Karnataka, India
Tel: (91 80) 4179 9999
Fax: (91 80) 2228 6912
Website: www.embassyindia.com
Email: cs@embassyindia.com
Company Identification Number: U85110KA1996PLC020897

Address of the Registrar of Companies

Our Company is registered with the Registrar of Companies, Karnataka at Bangalore situated at the following address:

The Registrar of Companies
'E' wing, Second Floor
Kendriya Sadana
Koramangala
Bangalore 560034
Karnataka, India

Board of Directors of our Company

The Board of Directors comprises the following:

Name and Designation	Age (years)	Address
Jitendra Virwani *Managing Director*	44	No. 332, Embassy Woods 6/A, Cunningham Road Bangalore 560 052 Karnataka, India
Narpat Singh Choraria *Director*	56	Flat No. 603, 'Embassy Orchid' 57/38, 8th Main, R.M.V. Extension, Sadashivnagar 1st Stage, Bangalore 560 080 Karnataka, India
K.Y. Gopi Krishnan *Director and CEO*	44	No. 402, Embassy Tranquil 22, 8th Main Road, 3rd Block Koramangala, Bangalore 560 034 Karnataka, India
P. Vaidyanathan *Independent Director*	62	7AB, Block III Kences Enclave No.1, Chari Street T Nagar, Chennai 600 017 Tamil Nadu, India
S. Chandra Das *Independent Director*	70	No. 28, Cassia Drive Singapore 289721
Kishore Biyani *Independent Director*	49	406, Jeevan Vihar, Manav Mandir Road Mumbai 400 006 Maharashtra, India

For further details of the Directors, see "Our Management" on page 221.

Company Secretary and Compliance Officer

J. Veerraju is the Company Secretary and Compliance Officer of our Company and his contact details are as follows:

First Floor, Embassy Point
150, Infantry Road
Bangalore 560 001, Karnataka, India
Tel: (91 80) 4179 9999
Fax: (91 80) 2228 6912
Email: cs@embassyindia.com

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

All grievances relating to the ASBA process may be addressed to the Registrar to the Issue, with a copy to the SCSB, giving full details such as name, address of the applicant, number of Equity Shares applied for, Bid Amount blocked, ASBA account number and the designated branch of the SCSB where the ASBA Form was submitted by the ASBA bidders.

Joint Global Co-ordinators and Book Running Lead Managers

UBS Securities India Private Limited
2/F, 2 North Avenue
Maker Maxity
Bandra-Kurla Complex
Bandra (E)
Mumbai 400 051
Maharashtra, India

Tel: (91 22) 6155 6000
Fax: (91 22) 6155 6292
Email: embassyipo@ubs.com
Investor Grievance Email: customercare@ubs.com
Website: www.ibb.ubs.com/Corporates/indianipo
Contact Person: Kishore Gam Taid
SEBI Registration No.: INM000010809

Nomura Financial Advisory and Securities (India) Private Limited
Ceejay House, Level 11
Dr. Annie Besant Road, Worli
Mumbai 400 018
Maharashtra, India
Tel: (91 22) 4037 4037
Fax: (91 22) 4037 4111
Email: embassy.ipo-in@nomura.com
Investor Grievance Email: investorgrievances-in@nomura.com
Website: www.nomura.com/asia/services/capital_raising/equity.shtml
Contact Person: Sharat Singhee
SEBI Registration No: INM000011419

Book Running Lead Managers

Citigroup Global Markets India Private Limited
12th Floor, Bakhtawar
Nariman Point
Mumbai 400 021
Tel: (91 22) 6631 9890
Fax: (91 22) 6646 6056
E-mail: embassy.ipo@citi.com
Investor Grievance Email: investors.cgmib@citi.com
Website: http://www.online.citibank.co.in/rhtm/citigroupglobalscreen1.htm
Contact Person: Rajiv Jumani
SEBI Registration No: INM000010718

Edelweiss Capital Limited
14th Floor, Express Towers
Nariman Point
Mumbai 400 021, Maharashtra, India
Tel: (91 22) 4086 3535
Fax: (91 22) 4086 3610
E-mail: embassy.ipo@edelcap.com
Investor Grievance E-mail: customerservice.mb@edelcap.com
Website: www.edelcap.com
Contact Person: Chitrang Gandhi
SEBI Registration No.: INM0000010650

Syndicate Members

[●]

Self Certified Syndicate Banks

The list of banks that have been notified by SEBI to act as SCSB for the ASBA Process are provided on http://www.sebi.gov.in. For details on designated branches of SCSBs collecting the ASBA Bid cum Application Form, please refer the above mentioned SEBI link.

Legal Advisors

Domestic Legal Counsel to the Company
AZB & Partners AZB House, 67-4, Fourth Cross Lavelle Road Bangalore 560 001 Karnataka, India Tel: (91 80) 4240 0500 Fax: (91 80) 2221 3947
Domestic Legal Counsel to the JGCBRLMs and the BRLMs
Amarchand & Mangaldas & Suresh A. Shroff & Co. 201, Midford House, Midford Garden Off M.G. Road Bangalore 560 001 Karnataka, India Tel: (91 80) 2558 4870 Fax: (91 80) 2558 4266
International Legal Counsel to the JGCBRLMs and the BRLMs
Clifford Chance CC Asia Limited One George Street 19th Floor Singapore 049145 Tel: +65 6410 2200 Fax:+65 6410 2288
Counsel to the Company on Malaysian law
Sidek Teoh Wong & Dennis Level 32, Menera TH Perdana 1001, Jalan Sultan Ismail Kuala Lumpur 50250, Malaysia Tel: +03 2692 3000 Fax: +03 2693 0300 Email: stwd@stwd.com.my
Counsel to the Company on Serbian law
Tomislav Popovic **c/o Wolf Theiss** PC Ušće Bulevar Mihajla Pupina 6 11070 Novi Beograd, Serbia Tel: +381 11 3302 900 Fax: +381 11 3302 925 Email: tomislav.popovic@wolftheiss.com

Expert Opinion from Legal Counsel in relation to title of land	
A. R. Kishore Giridarshini, 21-9 Mann's Compound Road Madikeri 571 201 Karnataka, India Tel: (91 8272) 229824 Email: kishore_ammathi@yahoo.co.in	**Mathews K. Uthuppachan** Kattimattom Chalikkavattm, Vennala P.O Ernakulam, Kochi 682 028 Kerala, India Tel: (91 484) 2803288 Email: mathewsuthup@yahoo.co.uk
Arvind Raghavan # 27, I Main Road, Vyalikaval Bangalore 560 003 Karnataka, India Tel: (91 80) 2336 1030 Fax: (91 80) 336 1120 Email: arvind_ncsr@yahoo.com	**Dr. P. Vasudevan** No. 27, Law Chambers High Court Buildings Chennai 600 104 Tamil Nadu, India Tel: (91 44) 24953641 Email: drpv59@reddiffmail.com
H.R. Katti & Associates # 101, 1st Floor, Vijaya Arcade, 3rd Cross Konena Agrahara, Behind Rajeshwari Theatre	**R & P Partners** S 413, Manipal Centre South Block, 4th Floor

HAL Airport Road, Bangalore 560 017 Karnataka, India Tel: (91 80) 41258331 Fax: (91 80) 41258332 E-mail: hrkattiassociates@airtelmail.in	No. 47, Dickenson Road Bangalore 560 042 Karnataka, India Tel: (91 80) 2559 6637 Fax: (91 80) 2559 5970 E-mail: rapadv2001@yahoo.co.in
Kannur & Katti Legal # 4, 14th CrossRoad, Vyalikaval Bangalore 560 003 Karnataka, India Tel: (91 80) 2356 5228 Fax: (91 80) 23461390 Email: kattidhrindra@gmail.com	**Sidek Teoh Wong & Dennis** Level 32, Menera TH Perdana 1001, Jalan Sultan Ismail Kuala Lumpur 50250, Malaysia Tel: +03 2692 3000 Fax: +03 2693 0300 Email: stwd@stwd.com.my
King & Partridge 48, Lavelle Road Bangalore-560001 Karnataka, India Tel: (91 80) 22212341 Fax: (91 80) 2212376 Email: kingpart@blr.vsnl.net.in	**T. Vittal Rao** Parth Kristal. No. 305, Third Floor No. 41, Devaraj Mudaliar Road Near Shree Circle, Off St. Johns Road Bangalore 560042 Karnataka, India Tel: (91 80) 4092 4180 Fax: (91 80) 4092 4180 Email: tvittalrao@gmail.com
M.S. Balajee Sridhar 'Mecheri Crest', No. 3 A, S.R. Iyer Layout Ramanathapuram, Coimbatore – 641 045 Tamil Nadu, India Tel: (91 422) 4396123 Fax: (91 422) 2314287 Email: adhipaalaw@gmail.com	**Tomislav Popovic** **c/o Wolf Theiss** PC Ušće Bulevar Mihajla Pupina 6 11070 Novi Beograd, Serbia Tel: +381 11 3302 900 Fax: +381 11 3302 925 Email: tomislav.popovic@wolftheiss.com
Expert Opinion in relation to Developable Area, Gross Leasable Area and Gross Saleable Area for real estate development projects	
RSP Design Consultants (India) Pvt Ltd (Formely known as RSP Architects Planners & Engineers (India) Pvt Ltd) RSP House, 30 Museum Road Bangalore 560001 Karnataka, India Tel: (91 80) 2559 6868 Fax: (91 80) 2559 6818 Email: rsp@rspindia.net	
Team-2 Architects & Consulting Engineers 302, Embassy Chambers 5, Vittal Mallya Road Bangalore 560001 Karnataka, India Tel: (91 80) 22214562 Fax: (91 80) 22102685 Email: team2@vsnl.com	

Registrar to the Issue

Karvy Computershare Private Limited
Plot Nos. 17-24, Vittal Rao Nagar
Madhapur, Hyderabad 500 081
Tel: (91 40) 4465 5000
Fax: (91 40) 2343 1551
Email: embassy.ipo@karvy.com
Website: www.karvycomputershare.com
Contact Person: Murali Krishna
SEBI Registration No: INR000000221

Bankers to the Issue and Escrow Collection Banks

[●]

Bankers to the Company

HDFC Bank Limited
HDFC House, No. 51
Kasturba Road
Bangalore 560 001, Karnataka, India
Tel: (91 80) 4118 3000
Fax: (91 80) 2227 5754
Email: customercare.bank@hdfc.com

ING Vysya Bank Limited
Infantry Road, No. 9
Jain Sanga Building
Bangalore 560 001, Karnataka, India
Tel: (91 80) 2286 1752
Fax: (91 80) 2286 1772
Email: kbroadbr@ingvysyabank.com

Refund Banker
[●]

Statutory Auditors to the Company

BSR and Co.
Maruthi Info-Tech Centre
11/1 & 12/1, East Wing, II Floor
Koramangala, Inner Ring Road
Bangalore 560 071, Karnataka, India
Tel: (91 80) 3980 6000
Fax: (91 80) 3980 6999
Email: zshekary@kpmg.com

Monitoring Agency

The Monitoring Agency will be appointed prior to the filing of the Red Herring Prospectus with the RoC.

Statement of Inter-se Allocation of Responsibilities for the Issue

The following table sets forth the distribution of responsibility and coordination for various activities in this Issue amongst the JGCBRLMs and the BRLMs:

Activities	Responsibility	Co-ordinator
Capital structuring with relative components and formalities	UBS, Nomura, Citi, Edelweiss	UBS
Due diligence of the Company including its operations/management/ business/plans/legal, etc. Drafting and design of the Draft Red Herring Prospectus and of statutory advertisements including a memorandum containing salient features of the Prospectus The JGCBRLMs and the BRLMs shall ensure compliance with stipulated requirements and completion of prescribed formalities with the Stock Exchanges, the RoC and SEBI including finalisation of the Prospectus and RoC filing. Drafting and approval of all statutory advertisements	UBS, Nomura, Citi, Edelweiss	UBS

Drafting and approval of all publicity material other than statutory advertisements as mentioned above, including corporate advertising, brochures, etc.	UBS, Nomura, Citi, Edelweiss	Nomura
Appointment of other intermediaries including Registrar to the Issue, printers, advertising agency and Bankers to the Issue	UBS, Nomura, Citi, Edelweiss	Nomura
Marketing & road show presentation	UBS, Nomura, Citi, Edelweiss	UBS
Non-institutional and Retail marketing of the Issue, which will cover, inter alia: • Finalising media, marketing and public relations strategy; • Finalising centre for holding conferences for brokers, etc.; • Follow-up on distribution of publicity and Issue material including forms, Prospectus and deciding on the quantum of Issue material; and • Finalising collection centres	UBS, Nomura, Citi, Edelweiss	Citi
Domestic institutional marketing of the Issue, which will cover, inter alia: Finalising the list and division of investors for one to one meetings, institutional allocation	UBS, Nomura, Citi, Edelweiss	Nomura
International institutional marketing of the Issue, which will cover, inter alia: Finalising the list and division of investors for one-to-one meetings, institutional allocation	UBS, Nomura, Citi, Edelweiss	UBS
Finalization of pricing in consultation with company	UBS, Nomura, Citi, Edelweiss	UBS
Managing the book, co-ordination with the Stock Exchanges for book building software, bidding terminals and mock trading	UBS, Nomura, Citi, Edelweiss	Citi
Post-Bidding activities including management of escrow accounts, co-ordinating underwriting, co-ordination of non-institutional allocation, announcement of allocation and dispatch of refunds to Bidders, etc. The post-Issue activities will involve essential follow up steps, including the finalisation of trading, dealing of instruments, and demat of delivery of shares with the various agencies connected with the work such as the Registrars to the Issue, the Bankers to the Issue, the bank handling refund business and SCSBs. The JGCBRLMs and the BRLMs shall be responsible for ensuring that these agencies fulfill their functions and discharge this responsibility through suitable agreements with the Company.	UBS, Nomura, Citi, Edelweiss	Citi

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

Credit Rating

As this is an Issue of Equity Shares, there is no credit rating for this Issue.

IPO Grading

This Issue has been graded by CRISIL a SEBI registered credit rating agency, as [●], indicating [●] fundamentals. Pursuant to SEBI ICDR Regulations, the rationale/description furnished by the credit rating agency will be updated at the time of filing the Red Herring Prospectus with the RoC.

Trustee

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

Book Building Process

The Book Building Process, with reference to the Issue, refers to the process of collection of Bids on the basis of the Red Herring Prospectus within the Price Band which will be decided by our Company in consultation with the JGCBRLMs and the BRLMs and advertised at least two (2) days prior to the Bid/Issue Opening Date. The Issue Price is finalised after the Bid/Issue Closing Date. The principal parties

involved in the Book Building Process are:

- Our Company;
- The JGCBRLMs;
- The BRLMs;
- Syndicate Members who are intermediaries registered with SEBI or registered as brokers with BSE/NSE and eligible to act as Underwriters;
- Registrar to the Issue;
- Escrow Collection Banks; and
- SCSBs.

This is an Issue of less than 25% of the post Issue Equity Share capital of our Company and is being made pursuant to Rule 19(2)(b) of the SCRR through the 100% Book Building Process wherein not more than 50% of the Issue size is required to be allocated to QIBs on a proportionate basis. Provided that, our Company may, allocate up to 30% of the QIB Portion to Anchor Investors at the Anchor Investor Issue Price on a discretionary basis, out of which at least one-third will be available for allocation to Mutual Funds only. If at least 50% of the Issue cannot be alloted to QIBs, then the entire application money will be refunded forthwith. Further, not less than 15% and 35% of the Issue will be available for allocation on a proportionate basis to Non-Institutional Bidders and Retail Individual Bidders, respectively subject to valid Bids being received at or above the Issue Price. Under-subscription, if any, in any category, except the QIB Portion, would be allowed to be met with spill-over from any other category or combination of categories at the discretion of our Company, in consultation with the JGCBRLMs, the BRLMs and the Designated Stock Exchange.

In accordance with the SEBI ICDR Regulations, QIBs bidding in the QIB Portion are not allowed to withdraw their Bid(s) after the Bid Closing Date and are required to pay the Bid Amount upon submission of the Bid. Anchor Investors are not allowed to withdraw their Bids after the Anchor Investor Bidding Date and are required to pay the Bid Amount at the time of submission of the Bid. For further details, see "Issue Structure" on page 582.

Our Company shall comply with regulations issued by SEBI for this Issue. In this regard, our Company has appointed UBS and Nomura as the JGCBRLMs and Citi and Edelweiss as the BRLMs to manage the Issue and to procure subscriptions to the Issue.

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

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

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

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

The price discovery is a function of demand at various prices. The highest price at which the issuer is able

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

Steps to be taken by the Bidders for Bidding

1. Check eligibility for making a Bid (For further details see "Issue Procedure - Who Can Bid") on page 587.

2. Ensure that you have a demat account and the demat account details are correctly mentioned in the Bid cum Application Form or the ASBA Bid cum Application Form, as the case may be.

3. Except for Bids on behalf of the Central or State Government, residents of Sikkim and the officials appointed by the courts, for Bids of all values ensure that you have mentioned your PAN allotted under the I.T. Act in the Bid cum Application Form and the ASBA Bid cum Application Form (see "Issue Procedure – Permanent Account Number or PAN" on page 604).

4. Ensure that the Bid cum Application Form is duly completed as per instructions given in this Draft Red Herring Prospectus and in the Bid cum Application Form and the ASBA Bid cum Application Form.

5. Ensure the correctness of your demographic details (as defined in the "Issue Procedure-Bidders Depository Account Details" on page 599) given in the Bid cum Application Form and the ASBA Bid cum Application Form, with the details recorded with your Depository Participant.

6. Bids by QIBs shall be submitted only to the members of the Syndicate, other than Bids by QIBs who Bid through the ASBA process, who shall submit the Bids to the Designated Branch of the SCSBs.

7. Bids by ASBA Bidders will have to be submitted to the designated branches of the SCSBs. ASBA Bidders should ensure that their bank accounts have adequate credit balance at the time of submission to the SCSB to ensure that the ASBA Bid cum Application Form is not rejected.

Withdrawal of the Issue

Our Company, in consultation with the JGCBRLMs and the BRLMs, reserves the right not to proceed with the Issue anytime after the Bid/Issue Opening Date but before the Allotment of Equity Shares. In such an event our Company would issue a public notice in the newspapers, in which the pre-Issue advertisements were published, within two days of the Bid/ Issue Closing Date, providing reasons for not proceeding with the Issue. Our Company shall also inform the Stock Exchanges on which the Equity Shares are proposed to be listed of its decision not to proceed with the Issue.

Any further issue of Equity Shares by our Company shall be in compliance with applicable laws.

Bid/ Issue Programme

Bid opens on: [●]*
Bid closes on: For QIB Bidders [●] **For Retail and Non-Institutional Bidders: [●]**

* *Our Company may consider participation by Anchor Investors. The Anchor Investor Bid/ Issue Period shall be one Working Day prior to the Bid/ Issue Opening Date.*

Bids and any revision in Bids shall be accepted **only between 10.00 a.m. and 5.00 p.m**. (Indian Standard Time, "IST") during the Bid/ Issue Period as mentioned above at the bidding centres mentioned on the Bid cum Application Form.

On the Bid/ Issue Closing Date, the Bids (excluding the ASBA Bids) shall be accepted only between (i) 10.00 a.m. and 4.00 p.m. (IST) and uploaded until 5.00 p.m. (IST) in case of Bids by QIB Bidders, (ii) 10.00 a.m. and 3.00 p.m. (IST) and uploaded until 4.00 p.m. (IST) in case of Bids by Non-Institutional Bidders and (iii) 10.00 a.m. and 3.00 p.m. (IST) and uploaded until 5.00 p.m. (IST) or such extended time as permitted by the BSE and the NSE, in case of Bids by Retail Individual Bidders.

It is clarified that the Bids not uploaded in the book would be rejected. Bids by the Bidders applying through ASBA process shall be uploaded by the SCSB in the electronic system to be provided by the Stock Exchanges.

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. (IST) 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, some Bids may not get uploaded due to lack of sufficient time. Such Bids that cannot be uploaded will not be considered for allocation under the Issue. Bids will be accepted only on Working Days.

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

Our Company, in consultation with the JGCBRLMs and the BRLMs, reserves the right to revise the Price Band during the Bid/ Issue Period, provided that the Cap Price shall be less than or equal to 120% of the Floor Price and the Floor Price shall not be less than the face value of the Equity Shares. The revision in Price Band shall not exceed 20% on the either side i.e. the floor price can move up or down to the extent of 20% of the floor price disclosed at least two Working Days prior to the Bid/ Issue Opening Date and the Cap Price will be revised accordingly.

In case of revision of the Price Band, the Bid/ Issue Period will be extended for three additional Working Days after revision of Price Band subject to the Bid/ Issue Period not exceeding 10 Working Days. Any revision in the Price Band and the revised Bid/ Issue Period, if applicable, will be widely disseminated by notification to the Stock Exchanges, by issuing a press release and also by indicating the changes on the websites of the JGCBRLMs, the BRLMs and at the terminals of the Syndicate.

Underwriting Agreement

After the determination of the Issue Price and allocation of the Equity Shares, but prior to the filing of the Prospectus with the RoC, our Company will enter into an Underwriting Agreement with the Underwriters for the Equity Shares proposed to be offered through the Issue. It is proposed that pursuant to the terms of the Underwriting Agreement, the JGCBRLMs and the BRLMs shall be responsible for bringing in the amount devolved in the event that the Syndicate Members do not fulfil their underwriting obligations. The underwriting shall be to the extent of the Bids uploaded by the Underwriters including through its Syndicate/Sub Syndicate. The Underwriting Agreement is dated [•]. Pursuant to the terms of the Underwriting Agreement, the obligations of the Underwriters are several and are subject to certain conditions specified therein.

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

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

Name and Address of the Underwriter	Indicated Number of Equity Shares to be Underwritten	Amount Underwritten (Rs. in Millions)
UBS Securities India Private Limited 2/F, 2 North Avenue Maker Maxity, Bandra-Kurla Complex Bandra (E), Mumbai 400 051 Maharashtra, India	[●]	[●]
Nomura Financial Advisory and Securities (India) Private Limited Ceejay House, Level 11 Dr. Annie Besant Road, Worli Mumbai 400 018, Maharashtra, India	[●]	[●]
Citigroup Global Markets India Private Limited 12th floor, Bakhtawar, Nariman Point Mumbai 400 021, Maharashtra, India	[●]	[●]
Edelweiss Capital Limited 14th Floor, Express Towers Nariman Point Mumbai 400 021, Maharashtra, India	[●]	[●]

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

In the opinion of our Board of Directors (based on a certificate given by the Underwriters), the resources of the above mentioned Underwriters are sufficient to enable them to discharge their respective underwriting obligations in full. The Underwriters are registered with the SEBI or have been granted a Certificate of Registration by the SEBI to act as an underwriter in accordance with the SEBI (Underwriters) Regulations 1993 or the SEBI (Stock-Brokers and Sub-Brokers) Regulations 1992 or the SEBI (Merchant Bankers) Regulations 1992 and such certificate is valid and in existence and the Underwriters are hence entitled to carry on business as underwriters or registered as brokers with the Stock Exchange(s). Our Board of Directors, at its meeting held on [●] has accepted and entered into the Underwriting Agreement with the Underwriters.

Allocation among the Underwriters may not necessarily be in proportion to their underwriting commitments set forth in the table above. Notwithstanding the above table, the Underwriters shall be responsible for ensuring payment with respect to Equity Shares allocated to investors procured by them. In the event of any default in payment, the respective Underwriter, in addition to other obligations defined in the Underwriting Agreement, will also be required to procure subscriptions for/subscribe to Equity Shares to the extent of the defaulted amount, except in cases where the allocation to QIB is less than 50% of the Issue, in which case the entire subscription monies will be refunded.

The underwriting arrangements mentioned above shall not apply to the subscriptions by the ASBA Bidders in this Issue.

CAPITAL STRUCTURE

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

(in Rs.)

	Aggregate Value at nominal value	Aggregate Value at Issue Price
A) **Authorised Share Capital**		
1,300,000,000 Equity Shares	13,000,000,000	[●]
B) **Issued, subscribed and paid up share capital before the Issue**		
974,979,000 Equity Shares	9,749,790,000	[●]
C) **Present Issue in terms of this Draft Red Herring Prospectus**		
[●] Equity Shares fully paid up	[●]	[●]
D) **Equity Capital after the Issue**		
[●] Equity Shares fully paid up	[●]	[●]
E) **Share premium account**		
Before the Issue	Nil	
After the Issue	[●]	

This Issue has been authorised by a resolution of our Board of Directors dated June 2, 2010 and a resolution of our shareholders in their Extraordinary General Meeting dated June 2, 2010.

Changes in the Authorised Share Capital of our Company since incorporation

The initial authorised share capital of our Company comprising Rs. 30,000,000 divided into 3,000,000 Equity Shares of Rs. 10 each was increased to Rs. 13,000,000,000 divided into 1,300,000,000 Equity Shares of Rs. 10 each pursuant to a resolution of the shareholders of our Company dated April 25, 2010.

For details in change of the authorised capital of our Company, see "History and Corporate Structure" on page 202**.**

Notes to Capital Structure:

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

(a) Equity share capital history

Date of allotment of the Equity Shares	No. of Equity Shares	Face Value (Rs.)	Issue Price (Rs.)	Nature of Payment	Reasons for allotment	Cumulative number of Equity Shares	Cumulative Issued Capital (Rs. in million)	Cumulative Share Premium (Rs.)
July 30, 1996	200,000	10	10	Cash	Subscribers to Memorandum(1)	200,000	2.00	Nil
July 31, 1996	200,000	10	10	Cash	Preferential Allotment(2)	400,000	4.00	Nil
March 8, 1997	89,000	10	10	Cash	Preferential Allotment(3)	489,000	4.89	Nil
September 30, 1997	20,000	10	10	Cash	Preferential Allotment(4)	509,000	5.09	Nil
February 23, 1998	2,000,000	10	10	Cash	Preferential Allotment(5)	2,509,000	25.09	Nil
April 23, 2002	50,000	10	10	Otherwise than Cash	Pursuant to a reverse merger of erstwhile Dynasty Developers	2,559,000	25.59	Nil

Date of allotment of the Equity Shares	No. of Equity Shares	Face Value (Rs.)	Issue Price (Rs.)	Nature of Payment	Reasons for allotment	Cumulative number of Equity Shares	Cumulative Issued Capital (Rs. in million)	Cumulative Share Premium (Rs.)
					Private Limited with Virwani Builders Private Limited(6)			
April 25, 2010	972,420,000	10	Nil	Bonus	Bonus Issue in the ratio (380:1)(7)	974,979,000	9,749.79	Nil

(1) Allotment of 60,000 Equity Shares to Mohan Virwani, 20,000 Equity Shares to Raj M. Virwani, 30,000 Equity Shares to Jitendra Virwani, 20,000 Equity Shares to Sanjeev Wahi, 20,000 Equity Shares to Sonu Sanjeev Wahi, 20,000 Equity Shares to Anant L Sanghui and 30,000 Equity Shares to Vandana Virwani.

(2) Allotment of 100,000 Equity Shares to Dynasty Stock Holdings Private Limited and 100,000 Equity Shares to Embassy Finvest Private Limited.

(3) Allotment of 60,000 Equity Shares to Jitendra Virwani and 29,000 Equity Shares to Anant L. Sanghvi.

(4) Allotment of 20,000 Equity Shares to Flaxen Property Developers Private Limited.

(5) Allotment of 2,000,000 Equity Shares to ABC Trading Private Limited.

(6) Pursuant to an order of the Karnataka High Court dated November 29, 2001 approving the reverse merger of the erstwhile Dynasty Developers Private Limited with our Company with effect from April 1, 2000 each equity shareholder of the erstwhile Dynasty Developers Private Limited was allotted one fully paid up Equity Share of our Company as a result of which our Company made an allotment of 100 Equity Shares to Jitendra Virwani, 100 Equity Shares to Karan Virwani, 25,000 Equity Shares to Dynasty Stock Holdings Private Limited, 24,795 Equity Shares to Embassy Finvest Private Limited, 1 Equity Share to S. N. Ladhani, 1 Equity Share to Chitra P. Mahatme, 1 Equity Share to Preeti P. Mahatme, 1 Equity Share to Preetam P. Mahatme and 1 Equity Share to Pradip P. Mahatme. For further details, see "History and Corporate Structure" on page 202.

(7) Allotment of 968,618,100 Equity Shares to JV Holding Private Limited, 3,800,000 Equity Shares to Jitendra Virwani, 380 Equity Shares jointly to Jitendra Virwani and Narpat Singh Choraria, 380 Equity Shares jointly to Jitendra Virwani and K.Y. Gopi Krishnan, 380 Equity Shares jointly to Jitendra Virwani and P.R. Ramakrishnan, 380 Equity Shares jointly to Jitendra Virwani and Rajesh Bajaj and 380 Equity Shares jointly to Jitendra Virwani and A.T. Gopinath.

(b) Equity Shares allotted for consideration other than cash

Date of allotment of Shares	No. of Shares	Face Value (Rs.)	Issue Price (Rs.)	Consideration	Reasons for allotment
April 23, 2002	50,000	10	10	Otherwise than Cash	Pursuant to a reverse merger of erstwhile Dynasty Developers Private Limited with Virwani Builders Private Limited
April 25, 2010	972,420,000	10	Nil	Bonus	Bonus Issue in the ratio (380:1)

2. **Promoters' Contribution and Lock-in**

The Equity Shares, which are being locked-in are not ineligible for computation of minimum promoters' contribution under Regulation 33 of the SEBI ICDR Regulations.

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

Date of Allotment / Transfer	No. of Equity Shares	Face Value (Rs.)	Issue/Acquisition Price (Rs.)	Nature of Consideration	Nature of Transaction
Jitendra Virwani					
July 30, 1996	30,000	10	10	Cash	Subscriber to Memorandum
March 8, 1997	60,000	10	10	Cash	Preferential Allotment
January 11, 1999	(80,000)	10	10	Cash	Transfer to Embassy Finvest Private Limited

Date of Allotment / Transfer	No. of Equity Shares	Face Value (Rs.)	Issue/Acquisition Price (Rs.)	Nature of Consideration	Nature of Transaction
February 4, 1999	(02)	10	10	Cash	Transfer of one Equity Share each to Prakash Ladhani and S.N. Ladhani
April 23, 2002	100	10	10	Otherwise than Cash	Issue pursuant to a reverse merger of erstwhile Dynasty Developers Private Limited with our Company
April 30, 2003	49,000	10	10	Cash	Transfer from Anant L. Sanghvi
December 20, 2004	03	10	10	Cash	Transfer of one Equity Share from Prakash Ladhani and two Equity Shares from S.N. Ladhani
January 29, 2007	04	10	10	Cash	Transfer of one Equity Share each from Preeti P. Mahatme, Chitra P. Mahatme, Preetam P. Mahatme and Pradip P. Mahatme
June 13, 2008	(59,105)	10	10	Cash	Transfer to JV Holding Private Limited
October 14, 2008	10,000	10	10	Cash	Transfer from Embassy Leasing Private Limited
February 18, 2010	5	10	10	Cash	Transfer from JV Holding Private Limited of 1 Equity Share to Jitendra Virwani jointly held with Narpat Singh Choraria; 1 Equity Share to Jitendra Virwani jointly held with K.Y. Gopi Krishnan; 1 Equity Share to Jitendra Virwani jointly held with P.R. Ramakrishnan; 1 Equity Share to Jitendra Virwani jointly held with Rajesh Bajaj; 1 Equity Share to Jitendra Virwani jointly held with A.T. Gopinath
April 25, 2010	3,801,900	10	Nil	Bonus	Bonus Issue in the ratio 380:1
TOTAL	**3,811,905**				
JV Holding Private Limited					
April 15, 2008	1,245,000	10	10	Cash	Transfer from Swire Investments Private Limited
June 13, 2008	59,105	10	10	Cash	Transfer from Jitendra Virwani
October 14, 2008	1,244,895	10	10	Cash	Transfer from Embassy Leasing Private Limited
February 18, 2010	(5)	10	10	Cash	Transfer of 1 Equity Share from JV Holding Private Limited to Jitendra Virwani jointly held with Narpat Singh Choraria; Transfer of 1 Equity Share from JV Holding Private Limited to Jitendra Virwani jointly held with K.Y. Gopi Krishnan; Transfers from JV Holding Private Limited; jointly held with P.R. Ramakrishnan; Transfer of 1 Equity Share from JV Holding Private Limited to Jitendra Virwani jointly held with Rajesh Bajaj; Transfer of 1 Equity Share from JV Holding Private Limited to Jitendra Virwani jointly held with A.T. Gopinath
April 25, 2010	968,618,100	10	Nil	Bonus	Bonus Issue in the ratio 380:1
July 6, 2010	(75,000,000)	10	Nil	Nil	Transfer to JV Family Trust
TOTAL	**896,167,095**				
JV Family Trust					

Date of Allotment / Transfer	No. of Equity Shares	Face Value (Rs.)	Issue/Acquisition Price (Rs.)	Nature of Consideration	Nature of Transaction
July 6, 2010	75,000,000	10	Nil	Nil	Transfer from JV Holding Private Limited to the original trustees of the JV Family Trust
TOTAL	**75,000,000**				

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

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

The details of such lock-in are given below:

Name	Date of allotment/acquisition and when made fully paid-up	Nature of allotment	Nature of consideration	No. of shares locked in*	Face value (Rs.)	Issue Price/Purchase Price (Rs.)	Percentage of post-Issue paid-up capital **
JV Holding Private Limited	April 25, 2010	Bonus	Bonus	[●]	10	Nil	[●]
TOTAL				[●]			[●]

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

(a) The Promoters contribution has been brought in to the extent of not less than the specified minimum lot and from the persons defined as promoters under the SEBI ICDR Regulations.

(b) Our Company has obtained specific written consent from our Promoters for inclusion of the Equity Shares held by them in the minimum Promoter's contribution subject to lock-in. Further, our Promoters have given undertakings to the effect that they shall not sell/transfer/dispose of in any manner, Equity Shares forming part of the minimum Promoter's contribution from the date of filing the Draft Red Herring Prospectus till the date of commencement of lock-in in accordance with SEBI ICDR Regulations.

(c) Any Equity Shares allotted to Anchor Investors in the Anchor Investor Portion shall be locked-in for a period of 30 days from the date of Allotment of Equity Shares in the Issue.

(d) In terms of Regulation 37 of the SEBI ICDR Regulations, our entire pre-Issue Equity Share capital held by persons other than Promoters consisting of [●] Equity Shares will be locked-in for a period of one year from the date of Allotment in this Issue except for the Promoters contribution as specified in clause 2(b) above shall be locked in for a period of three years from the date of Allotment in this Issue.

(e) In terms of Regulation 40 of the SEBI ICDR Regulations:

- the Equity Shares held by persons other than the Promoters prior to the Issue may be transferred to any other person holding the Equity Shares of our Company which are locked-in as per Regulation 37 of the SEBI ICDR Regulations, 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.

- the Equity Shares held by the Promoters may be transferred to another Promoter and among the Promoter Group or to a new promoter or persons in control of our Company which are locked-in as per Regulation 36 of the SEBI ICDR Regulations, subject to continuation of the lock-in in the hands of the transferees for the remaining period and compliance with SEBI (Substantial Acquisition of Shares and Takeover) Regulations, 1997, as applicable.

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

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

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

Category code	Category of shareholder	Pre - Issue		Post - Issue	
		Number of Equity Shares	%	Number of Equity Shares	%
A.	**Shareholding of Promoter and Promoter Group**				
1.	**Indian**				
a.	Individuals/ Hindu Undivided Family				
	Promoters				
	Jitendra Virwani	3,811,905[+]	0.39	3,811,905[+]	[●]
	Promoter Group	-	-	-	-
b.	Central Government/ State Government(s)	-	-	-	-
c.	Bodies Corporate	-	-	-	-
	Promoters				
	JV Holding Private Limited	896,167,095	91.92	896,167,095	[●]
	Promoter Group	-	-	-	-
d.	Financial Institutions/ Banks	-	-	-	-
e.	Any Other (specify)	-	-	-	-
	JV Family Trust	75,000,000	7.69	75,000,000	[●]
	Sub-Total (A)(1)	**974,979,000**	**100.00**	**974,979,000**	**[●]**
2.	**Foreign**				
a.	Individuals (Non-Resident Individuals/ Foreign Individuals)	-	-	-	-
b.	Bodies Corporate	-	-	-	-
c.	Institutions	-	-	-	-
d.	Any Other (specify)	-	-	-	-
	Sub-Total (A)(2)	-	-	-	-
	Total Shareholding of Promoter and Promoter Group (A)= (A)(1)+(A)(2)	**974,979,000**	**100.00**	**974,979,000**	**[●]**
B.	**Public shareholding**				
1.	**Institutions**				
a.	Mutual Funds/ UTI	-	-	[●]	[●]
b.	Financial Institutions/ Banks	-	-	[●]	[●]
c.	Central Government/ State	-	-	[●]	[●]

Category code	Category of shareholder	Pre - Issue Number of Equity Shares	%	Post - Issue Number of Equity Shares	%
	Government(s)				
d.	Venture Capital Funds	-	-	[●]	[●]
e.	Insurance Companies	-	-	[●]	[●]
f.	Foreign Institutional Investors	-	-	[●]	[●]
g.	Foreign Venture Capital Investors	-	-	[●]	[●]
h.	Any Other (specify)				
	Sub-Total (B)(1)	**-**	**-**	**[●]**	**[●]**
2.	**Non-institutions**				
a.	**Bodies Corporate**	**-**	**-**	**[●]**	**[●]**
	Sub-total (a)	**-**	**-**	**[●]**	**[●]**
b.	**Individuals –**				
	i. Individual shareholders holding nominal share capital up to Rs. 100,000				
	Shares arising out of ESOP	-	-	[●]	[●]
	Employees	-	-	[●]	[●]
	Former Employees	-	-	[●]	[●]
	Others	-	-	[●]	[●]
	ii. Individual shareholders holding nominal share capital in excess of Rs. 100,000	-	-	[●]	[●]
	Shares arising out of ESOP	-	-	-	-
	Employees	-	-	[●]	[●]
	Former Employees	-	-	[●]	[●]
	Others	-	-	[●]	[●]
	Sub-total (b)	**-**	**-**		[●]
c.	Any Other				
	ESOP Trust	-	-	-	-
	Sub Total (c)	**-**	**-**	**-**	**-**
d.	Issue of Shares at the IPO				
	Sub-Total (B)(2)	**-**	**-**	[●]	[●]
	Total Public Shareholding (B)= (B)(1)+(B)(2)	**-**	**-**	[●]	[●]
	TOTAL (A)+(B)	**974,979,000**	**100.00**	**[●]**	**100.00%**
C.	Equity Shares held by Custodians and against which depository receipts have been issued	NA		NA	
	TOTAL (A)+(B)+(C)	**974,979,000**	**100.00**	[●]	**100.00%**

+ *Including 381 Equity Shares jointly held with Narpat Singh Choraria; 381 Equity Shares jointly held with K.Y. Gopi Krishnan; 381 Equity Shares jointly held with P.R. Ramakrishnan; 381 Equity Shares jointly held with Rajesh Bajaj and 381 Equity Shares jointly held with A.T. Gopinath*

* *Directors of our Company*

** *These persons have also received bonus shares pursuant to the Equity Shares transferred to them by our corporate Promoter*

\# *Less than 0.01%*

For further details of Equity Shares held by our Promoters, see note one of "Capital Structure – Notes to Capital Structure" on page 34.

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

(a) On the date of filing this Draft Red Herring Prospectus with SEBI:

S. No.	Name	Number of Equity Shares	Percentage of Equity Share capital
1.	JV Holding Private Limited	896,167,095	91.92
2.	JV Family Trust	75,000,000	7.69
3.	Jitendra Virwani	3,811,905*	0.39

* *Including 381 Equity Shares jointly held with Narpat Singh Choraria; 381 Equity Shares jointly held with K.Y. Gopi Krishnan; 381 Equity Shares jointly held with P.R. Ramakrishnan; 381 Equity Shares jointly held with Rajesh Bajaj and 381 Equity Shares jointly held with A.T. Gopinath*

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

S. No.	Name	Number of Equity Shares	Percentage of Equity Share capital
1.	JV Holding Private Limited	971,167,095	99.61
2.	Jitendra Virwani	3,811,905*	0.39

* *Including 381 Equity Shares jointly held with Narpat Singh Choraria; 381 Equity Shares jointly held with K.Y. Gopi Krishnan; 381 Equity Shares jointly held with P.R. Ramakrishnan; 381 Equity Shares jointly held with Rajesh Bajaj and 381 Equity Shares jointly held with A.T. Gopinath*

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

S. No.	Name	Number of Equity Shares	Percentage of Equity Shares
1.	JV Holding Private Limited	2,549,000	99.00
2.	Jitendra Virwani	10,000	1.00

5. **Employee Stock Option Plans**

Our Company has, through a board resolution dated June 2, 2010 and a shareholders' resolution dated June 2, 2010, authorised the grant of employee stock options through an employee stock option plan ("**ESOP 2010**") which shall be established with effect from the day of listing of our Company's Equity Shares on any of the Indian Stock Exchanges. ESOP 2010 shall continue to be in force until the earlier of (i) its termination by the Board or the Compensation Committee (ii) the date on which all of the options available for issuance under ESOP 2010 have been issued and exercised or fifteen (15) years from the establishment of ESOP 2010.

In accordance with ESOP 2010, employee stock options may be granted to employees and directors of our Company or our subsidiaries or our holding company upto ten per cent of the paid-up equity share capital of our Company. ESOP 2010 shall be administered by the Compensation Committee which shall determine the quantum of employee stock options, eligibility criteria and the relevant procedures. The Compensation Committee may also approve forms, writings and/or agreements for use in pursuance of ESOP 2010.

The Compensation Committee may, at its discretion, lay down certain performance metrics on the achievement of which the granted options would vest, the detailed terms and conditions relating to such performance-based vesting, and the proportion in which options granted would vest, provided however that the options would vest not earlier than one year and not later than four years from the date of grant of options. The ESOP 2010 scheme also provides for the applicable provisions relating to the exercise of the employee stock options depending on the status of employment and where applicable, the circumstances of separation of the employee from our Company.

Details of our employee stock option plans:

ESOP scheme	Outstanding Options	Remarks
ESOP 2010 Plan	(ii) Grant I – 71,711,550 (i) Grant II – 8,984,510	[●]

Following are the details in relation to options granted under ESOP 2010 Plan:

As on June 2, 2010:

(i) Grant I

Particulars	Details
Options granted	71,711,550
Exercise price of options	10.87
Total options vested (includes options exercised)	Nil
Options exercised	Nil
Total number of Equity Shares arising as a result of full exercise of options already granted	71,711,550
Options forfeited/ lapsed/ cancelled	Nil
Variations in terms of options	Nil
Money realised by exercise of options	Nil
Options outstanding (in force)	71,711,550
Person wise details of options granted to	
i) Directors, Promoters and Key Management Employees	

Name of the option grantee	No. of options granted	No. of options exercised	No. of options outstanding
Narpat Singh Choraria	12,210,000	-	12,210,000
K.Y. Gopi Krishnan	27,750,000	-	27,750,000
S. Vasudevan	111,000	-	111,000
P.R. Ramakrishnan	555,000	-	555,000
Gopinath Ambadi Thody	8,325,000	-	8,325,000
Rajesh R Bajaj	6,382,500	-	6,382,500
Sharon Rodrigues	6,382,500	-	6,382,500
Sandeep Subramanya	111,000	-	111,000
H.N. Ravindra	277,500	-	277,500
Suresh C	27,750	-	27,750
Chandrasekar B	55,500	-	55,500

ii)	Any other employee who received a grant in any one year of options amounting to 5% or more of the options granted during the year	B.S. Narayanan
iii)	Identified employees who are granted options, during any one year equal to exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant	(i) Narpat Singh Choraria (ii) K.Y. Gopi Krishnan
Fully diluted EPS on a pre-issue basis		(39.2)

Particulars	Details	
based on restated unconsolidated financials for the period ended February 28, 2010		
Vesting schedule	**Time from date of grant**	**Cumulative percentage of Equity Shares vesting (%)**
	1 Year	100.00%
Lock-in	One year	
Impact on profits and EPS of the last three years	Nil	

(ii) Grant II

Particulars	Details			
Options granted	8,984,510			
Exercise price of options	10.87			
Total options vested (includes options exercised)	Nil			
Options exercised	Nil			
Total number of Equity Shares arising as a result of full exercise of options already granted	8,984,510			
Options forfeited/ lapsed/ cancelled	Nil			
Variations in terms of options	Nil			
Money realised by exercise of options	Nil			
Options outstanding (in force)	8,984,510			
Person wise details of options granted to				
i) Directors, Promoters and Key Management Employees	**Name of the option grantee**	**No. of options granted**	**No. of options exercised**	**No. of options outstanding**
	Narpat Singh Choraria	842,690	-	842,690
	K.Y. Gopi Krishnan	1,223,210	-	1,223,210
	S. Vasudevan	525,170	-	525,170
	P.R. Ramakrishnan	521,410	-	521,410
	Badri Krishnaswami	515,260	-	515,260
	Gopinath Ambadi Thody	274,990	-	274,990
	Rajesh R Bajaj	193,580	-	193,580
	Sharon Rodrigues	233,990	-	233,990
	A. B. Mandanna	195,610	-	195,610
	Sandeep Subramanya	182,040	-	182,040
	H.N. Ravindra	148,320	-	148,320
	Suresh C	175,830	-	175,830
	Chandrasekhar B	177,590	-	177,590
	J. Veerraju	217,980	-	217,980
ii) Any other employee who received a grant in any one year of options amounting to 5% or more of the options granted during the year	Nil			
iii) Identified employees who are	Nil			

Particulars	Details	
granted options, during any one year equal to exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant		
Fully diluted EPS on a pre-issue basis based on restated unconsolidated financials for the period ended February 28, 2010	(39.2)	
Vesting schedule	**Time from date of grant**	**Cumulative percentage of Equity Shares vesting (%)**
	1 Year	11.12%
	2 Years	11.12%
	3 Years	11.12%
	4 Years	11.12%
	5 Years	11.12%
	6 Years	44.40%
Lock-in	One year	
Impact on profits and EPS of the last three years	Nil	

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

There has been no purchase or sale of Equity Shares by Promoters, Promoter Group, our Directors and their immediate relatives during the six month period immediately preceding the date on which the Draft Red Herring Prospectus was filed with SEBI, except as stated in this section titled "Capital Structure".

7. **Details of Equity Shares held by our Directors, Key Management Personnel and directors of our Promoter companies**

The table below sets forth the details of Equity Shares that are held by our Directors and Key Management Personnel:

S. No.	Name	Number of Equity Shares	Pre-Issue Equity Share Capital %	Post-Issue Equity Share Capital %
1.	Jitendra Virwani*	3,810,000*	0.39	[●]
2.	Jitendra Virwani jointly with Narpat Singh Choraria*	381	0.00#	[●]
3.	Jitendra Virwani jointly with K.Y. Gopi Krishnan*	381	0.00#	[●]
4.	Jitendra Virwani jointly with P.R. Ramakrishnan**	381	0.00#	[●]
5.	Jitendra Virwani jointly with Rajesh Bajaj**	381	0.00#	[●]
6.	Jitendra Virwani jointly with A.T. Gopinath**	381	0.00#	[●]

** Excluding 381 Equity Shares jointly held with Narpat Singh Choraria; 381 Equity Shares jointly held with K.Y. Gopi Krishnan; 381 Equity Shares jointly held with P.R. Ramakrishnan; 381 Equity Shares jointly held with Rajesh Bajaj and 381 Equity Shares jointly held with A.T. Gopinath*
#Less than 0.01%

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

8. There are no financing arrangements whereby the Promoter, the Promoter Group, the directors of our Company or their relatives have financed the purchase by any other person of securities of our Company other than in the normal course of the business of the financing entity during the period of six months immediately preceding the date of filing draft offer document with the Board.

9. Neither our Company, our Promoters, Directors, the JGCBRLMs nor the BRLMs have entered into any buy-back, safety net and/or standby arrangements for the purchase of Equity Shares from any person.

10. Our Company has not raised any bridge loans against the proceeds of the Issue.

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

12. Except as disclosed above, there are no outstanding warrants, options or other financial instruments or rights that may entitle any person to receive any Equity Shares in our Company.

13. Except as disclosed above, our Company has not issued any Equity Shares out of revaluation reserves or for consideration other than cash.

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

15. In terms of Rule 19(2)(b) of SCRR and SEBI ICDR Regulations, this being an Issue for less than 25% of the post-Issue capital, the Issue is being made through the 100% Book Building Process wherein not more than 50% of the Issue will be allocated on a proportionate basis to QIBs. Provided that our Company may allocate up to 30% of the QIB Portion, to Anchor Investors, on a discretionary basis. 5% of the QIB Portion less Anchor Investor Portion shall be available for allocation to Mutual Funds only and the remaining QIB Portion shall be available for allocation to all the QIB Bidders, including Mutual Funds, subject to valid Bids being received at or above the Issue Price. If at least 50% of the Issue cannot be Allotted to QIBs, then the entire application money will be refunded. Further, not less than 15% of the Issue shall be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 35% of the Issue shall be available for allocation on a proportionate basis to Retail Individual Bidders, subject to valid Bids being received at or above the Issue Price.

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

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

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

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

20. Our Company presently does not intend or propose to alter its capital structure for a period of six months from the Bid/Issue Opening Date, by way of split or consolidation of the denomination of Equity Shares or further issue of Equity Shares (including issue of securities convertible into or exchangeable, directly or indirectly for Equity Shares) whether preferential or otherwise.

Additionally, if our Company enters into acquisitions or joint ventures, we may, subject to necessary approvals, consider using our Equity Shares as currency for acquisitions or participation in such joint ventures we may enter into and/or we may raise additional capital to fund accelerated growth.

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

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

23. Our Company, our Directors, our Promoters or Promoter Group shall not make any payments direct or indirect, discounts, commissions, allowances or otherwise under this Issue except as disclosed in this Draft Red Herring Prospectus.

24. For details of our related party transactions, see "Related Party Transactions" on page 421.

25. Our Company has 8 shareholders as of the date of this Draft Red Herring Prospectus.

OBJECTS OF THE ISSUE

The Objects of the Issue are to:

a) Finance the construction and development of our Company's Ongoing Projects;
b) Investment in certain Subsidiaries and Associates for the construction and development of our Ongoing/Proposed Projects;
c) Pre-pay and/or re-pay certain loans availed by our Company;
d) Investment in certain Subsidiaries and Associates for prepayment and/or repayment of their loans; and
e) General Corporate purposes

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

The estimated Issue related expenditure is as follows:

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

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

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

(Rs. in million)

S. No.	Description	Amount
1	Gross Proceeds of the Issue	[●]
2	Issue related Expenditure	[●]
3	Net Proceeds of the Issue	[●]

Use of Net Proceeds

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

(Rs. in million)

Sl. No.	Expenditure Items	Total estimated cost	Amounts deployed/utilized as on April 30, 2010	Balance estimated cost as on April 30, 2010/Amount outstanding as on May 31, 2010	Amount up to which will be financed from Net Proceeds of the Issue	Estimated Net Proceeds utilization as on March 31,		
						2011	2012	2013
1.	Finance the construction of our Company's Ongoing Projects	8,152.35	115.99	8,036.36	8,036.36	2,116.64	3,193.84	2,725.88
2.	Investment in certain Subsidiaries and Associates for the construction of our Ongoing/Proposed Projects	8,179.52	1,327.93	6,851.61	6,851.61	1,905.57	2,612.87	2,333.17
3.	Pre-pay and/or repay certain loans availed by our Company*	-	-	886.40	886.40	-	-	-
4.	Investment in certain Subsidiaries and Associates for prepayment/repayment of their loans*	-	-	4,071.19	3,490	-	-	-
5.	General Corporate purposes	-	-	-	4,735.63	-	-	-
	TOTAL	**-**	**-**	**-**	**24,000.00**	**-**	**-**	**-**

**Loan outstanding as on May 31, 2010*

Means of Finance

We intend to utilize the Net Proceeds of the Issue estimated at Rs. 24,000.00 million for financing the growth of our business.

We also propose to fund the construction of the Company's five commercial Ongoing Projects, two retail Ongoing Projects and two residential Ongoing Projects from the Net Proceeds of the Issue. We also propose to fund three of our Subsidiaries for the purpose of undertaking the development of six of our commercial Ongoing Projects and one of our commercial Proposed Projects and one Associate for the purpose of undertaking the development of one of our commercial Ongoing Projects and one of our residential Ongoing Projects.

The complete funding of all the projects except Embassy Galaxy Mall and Congo, MLCP 1, Rhine and Mekong within Embassy TechZone, Pune is proposed to be made from the Net Proceeds of the Issue. Our projects, Embassy Galaxy Mall and Congo, MLCP 1, Rhine and Mekong within Embassy TechZone, Pune have been partly financed by availing credit facilities and from internal accruals.

We propose to use a portion of the Net Proceeds to prepay/repay certain loans availed by our Company, Subsidiaries and Associates.

Our fund requirements and deployment of the Net Proceeds of the Issue is based on internal management appraisals and estimates. 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.

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

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

Details of the Objects

Finance the construction of our Company's Ongoing Projects

We are currently engaged, among others, in the construction and development of various residential, commercial, and retail projects. We intend to utilize the Net Proceeds of the Issue to fund the construction of five commercial Ongoing Projects, one retail Ongoing Project and two residential Ongoing Projects of the Company completely from the Net Proceeds of the Issue. Another retail Ongoing Project of our Company, Embassy Galaxy Mall has been partly financed by availing credit facilities from United Bank of India.

We propose to utilize Rs. 8,036.36 million from the Net Proceeds to finance the above projects, as follows:

(Rs. in million)

Sl. No	Project Name – City	Developable Area (in sq. ft.)	Year in which the project commenced /will commence	Estimated year of completion	Estimated construction and development costs	Amounts deployed as on April 30, 2010 for construction and development*	Utilization of Net Proceeds towards construction and development cost
1.	Alpha, Embassy TechSquare, Bangalore	368,113	2011	2012	640.15	Nil	640.15
2.	Delta, Embassy TechSquare, Bangalore	430,860	2011	2012	671.71	Nil	671.71
3.	Omega, Embassy TechSquare, Bangalore	470,255	2012	2013	716.67	Nil	716.67
4.	MLCP, Embassy TechSquare, Bangalore	366,125	2012	2013	353.31	Nil	353.31

Sl. No	Project Name – City	Developable Area (in sq. ft.)	Year in which the project commenced /will commence	Estimated year of completion	Estimated construction and development costs	Amounts deployed as on April 30, 2010 for construction and development*	Utilization of Net Proceeds towards construction and development cost
5.	Embassy Vogue, Palace Road, Bangalore	36,606	2011	2011	76.98	Nil	76.98
6.	Embassy Grove - Phase 1, Old Airport Road, Bangalore	401,596	2012	2013	1,024.07	Nil	1,024.07
7.	Embassy Pristine, ORR, Bangalore	1,814,937	2011	2013	2,983.76	Nil	2,983.76
8.	Embassy Galaxy Mall, Residency Road, Bangalore	189,762	2010	2012	535.89	115.99	419.90
9.	Embassy Mall, Whitefield, Bangalore	488,450	2011	2013	1,149.81	Nil	1,149.81
Total					**8,152.35**	**115.99**	**8,036.36**

** As per certificate of HRA & Co., Chartered Accountants (registration No. 209961) dated July 7, 2010.*

We may be required to fund some of the projects between the date of DRHP and realisation of issue proceeds. To the extent of such funding, we will utilize our exiting financing facilities and accordingly to that extent proceeds from the issue will be utilised for repayment of debt.

Embassy TechSquare, Bangalore

Our Company has ownership rights over land measuring approximately 7.96 acres in Bangalore, Karnataka, having acquired the same from Cessna Garden Developers Private Limited through a sale deed dated April 29, 2005 and rectification deed dated December 17, 2007, on which we are developing our commercial Ongoing Projects, Alpha, Delta, Omega and MLCP within the business park, Embassy TechSquare, Bangalore.

Alpha, Embassy TechSquare, Bangalore

The total Developable Area for the project is 368,113 sq. ft. The project will commence in 2011 and is expected to be completed in 2012.

The estimated schedule for deployment of Rs. 640.15 million is as follows:

(Rs. in million)

Total construction development costs	Amounts deployed as on April 30, 2010	Amount to be financed from Net Proceeds	Estimated schedule for deployment of Net Proceeds		
			March 31, 2011	March 31, 2012	March 31, 2013
640.15	Nil	640.15	474.20	165.95	Nil

The particulars of the break up of the construction and development costs related to Alpha, Embassy TechSquare is as follows:

(Rs. in million)

Sl. No.	Particulars	Total Cost
1.	Structural Work	248.48
2.	Finishing	123.69
3.	Ancillary Services including lifts, firefighting, lighting, sanitation, electrical, plumbing etc.	145.77
4.	Consultancy/Architectural Charges	36.08
5.	Interior and Other Works	46.75
6.	Miscellaneous	39.38
	Total	**640.15**

Means of Finance:

The total funds required for the development and construction of Alpha, Embassy TechSquare, Bangalore is Rs. 640.15 million and the Company proposes to invest the entire Rs. 640.15 million by means of finance from the Net Proceeds.

Delta, Embassy TechSquare, Bangalore

The total Developable Area for the project is 430,860 sq. ft. The project will commence in 2011 and is expected to be completed in 2012.

The estimated schedule for deployment of Rs. 671.71 million is as follows:

(Rs. in million)

Total construction development costs	Amounts deployed as on April 30, 2010	Amount to be financed from Net Proceeds	Estimated schedule for deployment of Net Proceeds		
			March 31, 2011	March 31, 2012	March 31, 2013
671.71	Nil	671.71	497.56	174.15	Nil

The particulars of the break up of the construction and development costs related to Delta, Embassy TechSquare is as follows:

(Rs. in million)

Sl. No.	Particulars	Total Cost
1.	Structural Work	269.29
2.	Finishing	130.12
3.	Ancillary Services including lifts, fire fighting, lighting, sanitation, electrical, plumbing etc.	140.89
4.	Consultancy/Architectural Charges	40.93
5.	Interior and Other Works	48.26
6.	Miscellaneous	42.22
	Total	**671.71**

Means of Finance:

The total funds required for the development and construction of Delta, Embassy TechSquare, Bangalore is Rs. 671.71 million and the Company proposes to invest the entire Rs. 671.71 million by means of finance from the Net Proceeds.

Omega, Embassy TechSquare, Bangalore

The total Developable Area for the project is 470,255 sq. ft. The project will commence in 2012 and is expected to be completed in 2013.

The estimated schedule for deployment of Rs. 716.67 million is as follows:

(Rs. in million)

Total construction development costs	Amounts deployed as on April 30, 2010	Amount to be financed from Net Proceeds	Estimated schedule for deployment of Net Proceeds		
			March 31, 2011	March 31, 2012	March 31, 2013
716.67	Nil	716.67	Nil	172.70	543.97

The particulars of the break up of the construction and development costs related to Omega, Embassy TechSquare is as follows:

(Rs. in million)

Sl. No.	Particulars	Total Cost
1.	Structural Work	290.58
2.	Finishing	140.17
3.	Ancillary Services including lifts, fire fighting, lighting, sanitation, electrical, plumbing etc.	152.27
4.	Consultancy/Architectural Charges	44.24
5.	Interior and Other Works	50.29
6.	Miscellaneous	39.12
	Total	**716.67**

Means of Finance:

The total funds required for the development and construction of Omega, Embassy TechSquare, Bangalore is Rs. 716.67 million and the Company proposes to invest the entire Rs. 716.67 million by means of finance from the Net Proceeds.

MLCP, Embassy TechSquare, Bangalore

The total Developable Area for the project is 366,125 sq. ft. The project will commence in 2012 and is expected to be completed in 2013.

The estimated schedule for deployment of Rs. 353.31 million is as follows:

(Rs. in million)

Total construction development costs	Amounts deployed as on April 30, 2010	Amount to be financed from Net Proceeds	Estimated schedule for deployment of Net Proceeds		
			March 31, 2011	March 31, 2012	March 31, 2013
353.31	Nil	353.31	Nil	172.34	180.97

The particulars of the break up of the construction and development costs related to MLCP, Embassy TechSquare is as follows:

(Rs. in million)

Sl. No.	Particulars	Total Cost
1.	Structural Work	219.68
2.	Finishing	42.10
3.	Ancillary Services including lifts, fire fighting, lighting,	24.90

Sl. No.	Particulars	Total Cost
	sanitation, electrical, plumbing etc.	
4.	Consultancy/Architectural Charges	31.12
5.	Interior and Other Works	21.24
6.	Miscellaneous	14.27
	Total	**353.31**

Means of Finance:

The total funds required for the development and construction of MLCP, Embassy TechSquare, Bangalore is Rs. 353.31 million and the Company proposes to invest the entire Rs. 353.31 million by means of finance from the Net Proceeds.

Embassy Vogue, Palace Road

We have, through a joint development agreement dated March 7, 2008 and supplementary agreement dated March 7, 2008 with Sanjay Kalro and others acquired development rights over land measuring 0.19 acres on Palace Road, Bangalore, on which, we propose to a develop a commercial complex. In terms of the agreement, we are entitled to 50% of the constructed area in the project. Under the agreements the development work is to commence within three months of the date of the joint development agreement or within thirty days from the date of the sanction of the plan. The project is required to be completed within twenty four months from the commencement date. The parties have the right to extend such time period. On this land, we are undertaking one of our commercial Ongoing Projects, Embassy Vogue. The project will commence in 2011 and is expected to be completed in 2011.The total Developable Area of the project is 36,606 sq. ft.

The estimated schedule for deployment of Rs. 76.98 million is as follows:

(Rs. in million)

Total construction development costs	Amounts deployed as on April 30, 2010	Amount to be financed from Net Proceeds	Estimated schedule for deployment of Net Proceeds		
			March 31, 2011	March 31, 2012	March 31, 2013
76.98	Nil	76.98	76.98	Nil	Nil

The particulars of the break up of the construction and development costs related to Embassy Vogue are as follows:

(Rs. in million)

Sl. No.	Particulars	Total Cost
1.	Structural Work	25.37
2.	Finishing	8.20
3.	Ancillary services including lifts, fire fighting, lighting, sanitation, electrical, plumbing etc.	18.67
4.	Consultancy/Architectural Charges	5.22
5.	Interior and Other Works	17.07
6.	Miscellaneous	2.45
	Total	**76.98**

Means of Finance:

The total funds required for the development and construction of Embassy Vogue is Rs. 76.98 million and the Company proposes to invest the entire Rs. 76.98 million by means of finance from the Net Proceeds.

Embassy Grove – Phase I, Old Airport Road, Bangalore

Our Company has ownership rights over land measuring approximately 7.93 acres in Phase 1, Old Airport Road, Bangalore, having acquired the property through two registered sale deeds dated May 22, 2009 with Rustham Kothwala, Behroz Batha and others. On this land, we are undertaking one of our residential Ongoing Projects, Embassy Grove – Phase I. The project will commence in 2012 and is expected to be completed in 2013.The total Developable Area of the project is 401,596 sq. ft.

The estimated schedule for deployment of Rs. 1,024.07 million is as follows:

(Rs. in million)

Total construction development costs	Amounts deployed as on April 30, 2010	Amount to be financed from Net Proceeds	Estimated schedule for deployment of Net Proceeds		
			March 31, 2011	March 31, 2012	March 31, 2013
1,024.07	Nil	1,024.07	Nil	383.12	640.95

The particulars of the break-up of the construction and development costs related to Embassy Grove – Phase I are as follows:

(Rs. in million)

Sl. No.	Particulars	Total Cost
1.	Structural Work	299.19
2.	Finishing	220.88
3.	Ancillary services including lifts, fire fighting, lighting, sanitation, electrical, plumbing etc.	174.69
4.	Consultancy/Architectural Charges	52.21
5.	Interior and Other Works	236.94
6.	Miscellaneous	40.16
	Total	**1,024.07**

Means of Finance:

The total funds required for the development and construction of Embassy Grove – Phase I is Rs. 1,024.07 million and the Company proposes to invest the entire Rs. 1,024.07 million by means of finance from the Net Proceeds.

Embassy Pristine– ORR, Bangalore

We have, through joint development agreements dated April 4, 2005 and June 2, 2010 with various land owners acquired development rights over land measuring 14 acres on ORR, Bangalore, on which, we propose to develop residential apartments. Under the agreements the development work is to be completed within three years from the date of sanction of the first set of plans. In terms of the agreements, we are entitled to 67% of the constructed area in the project. The project will commence in 2011 and is expected to be completed in 2013. The total Developable Area for the project is 1,814,937 sq. ft.

The estimated schedule for deployment of Rs. 2,983.76 million is as follows:

(Rs. in million)

Total construction development costs	Amounts deployed as on April 30, 2010	Amount to be financed from Net Proceeds	Estimated schedule for deployment of Net Proceeds		
			March 31, 2011	March 31, 2012	March 31, 2013
2,983.76	Nil	2,983.76	585.99	1,497.70	900.07

The particulars of the break up of the construction and development costs related to Embassy Pristine are as follows:

(Rs. in million)

Sl. No.	Particulars	Total Cost
1.	Structural Work	1,116.19
2.	Finishing	382.99
3.	Ancillary services including lifts, fire fighting, lighting, sanitation, electrical, plumbing etc.	685.82
4.	Consultancy/Architectural Charges	178.13
5.	Interior and Other Works	552.22
6.	Miscellaneous	68.41
	Total	**2,983.76**

Means of Finance:

The total funds required for the development and construction of Embassy Pristine is Rs. 2,983.76 million and the Company proposes to invest the entire Rs. 2,983.76 million by means of finance from the Net Proceeds.

Embassy Galaxy Mall – Residency Road, Bangalore

We have, through a joint development agreement dated March 4, 2005 and supplementary agreement dated June 12, 2008 with Sufia Bakhi and others acquired development rights over land measuring 1.10 acres on Residency Road, Bangalore, on which, we propose to develop a retail project. Under the agreement dated March 4, 2005 the development work is to commence within three months of the date of the agreement and should be completed within fifteen months from the date of plan sanction or eighteen months from the date of execution of the agreement, whichever is later. In the event of a failure to complete the project on time, the owners are entitled to liquidated damages and if the delay exceeds six months from the due date of completion, the owners have a right to terminate the agreement. In terms of the agreement, we are entitled to 38.33 % of the constructed area in the project. The project commenced in 2010 and is expected to be completed in 2012. The total Developable Area for the project is 189,762 sq. ft.

The estimated schedule for deployment of Rs. 419.90 million is as follows:

(Rs. in million)

Total construction development costs	Amounts deployed as on April 30, 2010	Amount to be financed from Net Proceeds	Estimated schedule for deployment of Net Proceeds		
			March 31, 2011	March 31, 2012	March 31, 2013
535.89	115.99	419.90	251.94	167.96	Nil

The particulars of the break up of the construction and development costs related to Embassy Galaxy Mall are as follows:

(Rs. in million)

Sl. No.	Particulars	Total Cost
1.	Structural Work	252.80
2.	Finishing	63.50
3.	Ancillary services including lifts, fire fighting, lighting, sanitation, electrical, plumbing etc.	142.50
4.	Consultancy/Architectural Charges	16.69
5.	Interior and Other Works	45.00
6.	Miscellaneous	15.40
	Total	**535.89**

Means of Finance:

The total funds required for the development and construction of Embassy Galaxy Mall is Rs. 535.89 million, of which Rs. 115.99 million has already been deployed towards the development and construction of Embassy Galaxy Mall as on April 30, 2010.

Of this, the Company proposes to invest Rs. 419.90 million which will be financed through the Net Proceeds. The balance 115.99 million has been raised through debt.

21.64% of the stated means of finance for Embassy Galaxy Mall, excluding the amount to be utilised from the Net proceeds, have been arranged for by way of credit facilities amounting to Rs. 300 million granted by the United Bank of India *vide* loan agreement dated April 4, 2009, and sanction letter dated February 12, 2009.

Embassy Mall – Whitefield, Bangalore

We have, through a joint development agreement dated October 28, 2005 and supplementary agreement dated October 28, 2005 with Y.R. Anil and Kalpana acquired development rights over land measuring 3.75 acres in Whitefield, Bangalore, on which, we propose to develop a retail project. Under the agreements, the project should be completed within three years from the date of handing over vacant possessions of the property by the owners. In the event of a failure to complete the project on time, the owners are entitled to liquidated damages and if the delay exceeds fifteen months from the due date of completion, the owners have a right to terminate the agreement. In terms of the agreement, we are entitled to 50% of the constructed area in the project. The project is to commence in 2011 and is expected to be completed in 2013. The total Developable Area for the project is 488,450 sq. ft.

The estimated schedule for deployment of Rs. 1,149.81 million is as follows:

(Rs. in million)

Total construction development costs	Amounts deployed as on April 30, 2010	Amount to be financed from Net Proceeds	Estimated schedule for deployment of Net Proceeds		
			March 31, 2011	March 31, 2012	March 31, 2013
1,149.81	Nil	1,149.81	229.97	459.92	459.92

The particulars of the break up of the construction and development costs related to Embassy Mall are as follows:

(Rs. in million)

Sl. No.	Particulars	Total Cost
1.	Structural Work	464.03
2.	Finishing	139.21
3.	Ancillary services including lifts, fire fighting, lighting, sanitation, electrical, plumbing etc.	213.94
4.	Consultancy/Architectural Charges	55.68
5.	Interior and Other Works	174.38
6.	Miscellaneous	102.57
	Total	**1,149.81**

Means of Finance:

The total funds required for the development and construction of Embassy Mall is Rs. 1,149.81 million and the Company proposes to invest the entire Rs. 1,149.81 million by means of finance from the Net Proceeds.

Investment in certain Subsidiaries and Associates for the construction of our Ongoing/Proposed Projects

We are currently engaged, among others, in the construction and development of six of our commercial Ongoing Projects and one Proposed Project through three of our Subsidiaries namely, Concord India Private Limited, Embassy Techzones d.o.o. Beograd and Pune Embassy Projects Private Limited and one of our commercial Ongoing Projects and one of our residential Ongoing Projects through one of our Associates, Swire Properties, a partnership in which we have 50% share.

We intend to utilize a portion of the Net Proceeds of the Issue to invest in our abovementioned Subsidiaries and Associates through subscription to optionally convertible and redeemable debentures issued in accordance with applicable law which in turn will be utilized by the above mentioned Subsidiaries and Associates for the construction and development costs of the projects.

We propose to utilize Rs. 6,851.63 million from the Net Proceeds to finance the above projects, as follows:

Sl. No	Entity/Project Name – City	Developable Area (in sq.ft)	Year in which the project commenced/will commence	Estimated year of completion	Estimated construction and development costs	Amounts deployed as on April 30, 2010 for construction and development**	Utilization of Net Proceeds towards construction and development cost
	Concord India Private Limited						
	Construction of our commercial Ongoing Project - Block A, Embassy TechZone, Whitefield, Bangalore	2,250,408	2012	2013	3,305.85	Nil	3,305.85
	Embassy Techzones d.o.o. Beograd						
	Construction of our commercial Proposed Project - Embassy TechZone – Phase I, Serbia	250,000	2011	2013	1,500.75	Nil	1,500.75
	Pune Embassy Projects Private Limited						
	Construction of our commercial Ongoing Project -	514,535	2010	2011	908.15	557.68	350.47

Sl. No	Entity/Project Name – City	Developable Area (in sq.ft)	Year in which the project commenced/will commence	Estimated year of completion	Estimated construction and development costs	Amounts deployed as on April 30, 2010 for construction and development**	Utilization of Net Proceeds towards construction and development cost
	Congo, Embassy TechZone, Pune						
	Pune Embassy Projects Private Limited						
	Construction of our commercial Ongoing Project - MLCP 1, Embassy TechZone, Pune	320,000	2010	2011	314.88	5.02	309.86
	Pune Embassy Projects Private Limited						
	Construction of our commercial Ongoing Project - Rhine, Embassy TechZone Pune	508,525	2010	2011	845.68	676.11	169.57
	Pune Embassy Projects Private Limited						
	Construction of our commercial Ongoing Project - MLCP 3, Embassy TechZone, Pune	247,380	2010	2011	237.98	Nil	237.98
	Pune Embassy Projects Private Limited						
	Construction of our commercial	301,419	2010	2011	569.68	89.12	480.56

Sl. No	Entity/Project Name – City	Developable Area (in sq.ft)	Year in which the project commenced/will commence	Estimated year of completion	Estimated construction and development costs	Amounts deployed as on April 30, 2010 for construction and development**	Utilization of Net Proceeds towards construction and development cost
	Ongoing Project - Mekong, Embassy TechZone, Pune						
	Swire Properties						
	Construction of our residential Ongoing Project – Embassy Manor Phase I, Challaghata, Bangalore	201,979	2012	2013	277.12	Nil	277.12
	Swire Properties						
	Construction of our commercial Ongoing Project – Embassy Techpoint, Challaghata, Bangalore	149,289	2012	2013	219.45	Nil	219.45
Total					**8,179.52**	**1,327.93**	**6,851.61**

*** *As per certificate of HRA & Co., Chartered Accountants (registration No. 209961) dated July 7, 2010.*

We may be required to fund some of the projects between the date of DRHP and realisation of issue proceeds. To the extent of such funding, we will utilize our existing financing facilities and accordingly to that extent proceeds from the issue will be utilised for repayment of debt.

Investment in Concord India Private Limited

Concord India Private Limited, a company incorporated on February 15, 1973 under the Act is a Subsidiary of our Company wherein our Company holds 51% of the equity share capital. Our Company intends to invest Rs. 3,305.85 million of the Net Proceeds through subscription to optionally convertible and redeemable debentures issued in accordance with applicable law, which in turn is proposed to be utilized by Concord India Private Limited towards the construction and development costs for our commercial Ongoing Project, Block A, Embassy TechZone, Whitefield, Bangalore.

Concord India Private Limited has sole development rights over land measuring 60.55 acres in Whitefield Bangalore which has been leased out by KIADB pursuant to the lease cum sale agreement dated June 7, 2007 and rectification deed dated April 21, 2008 over which the project Block A, Embassy TechZone, Whitefield, Bangalore is being developed. The project will commence in 2012 and is expected to be completed in 2013. The total Developable Area of the project is 2,250,408 sq. ft.

The estimated schedule for deployment of Rs. 3,305.85 million is as follows:

(Rs. in million)

Total construction development costs	Amounts deployed as on April 30, 2010	Amount to be financed from Net Proceeds	Estimated schedule for deployment of Net Proceeds		
			March 31, 2011	March 31, 2012	March 31, 2013
3,305.85	Nil	3,305.85	Nil	1,613.03	1,692.82

The particulars of the break up of the development and construction costs related to Block A, Embassy TechZone, Whitefield, Bangalore are as follows:

(Rs. in million)

Sl. No.	Particulars	Total Cost
1.	Structural Work	1,739.92
2.	Finishing	313.19
3.	Ancillary services including lifts, fire fighting, lighting, sanitation, electrical, plumbing etc.	452.38
4.	Consultancy/Architectural Charges	226.19
5.	Interior and Other Works	255.77
6.	Miscellaneous	318.40
	Total	**3,305.85**

Means of Finance:

The total funds required for the development and construction of Block A, Embassy TechZone, Whitefield, Bangalore is Rs. 3,305.85 million and the Company proposes to invest the entire Rs. 3,305.85 million by means of finance from the Net Proceeds.

Investment in Embassy Techzones d.o.o. Beograd

Embassy Techzones d.o.o. Beograd, a company incorporated on October 23, 2007, is a Subsidiary of our Company wherein our Company holds through our Subsidiary Worldscope, 90% of the equity share capital. Our Company intends to invest Rs. 1,500.75 million of the Net Proceeds through subscription to optionally convertible and redeemable debentures issued in accordance with applicable law, which in turn is proposed to be utilized by Embassy Techzones d.o.o. Beograd towards the construction and development costs of our commercial Proposed Project, Embassy TechZone - Phase 1, Serbia.

The underlying land for the project measuring 123.27 acres in Serbia is owned by Embassy Techzsones d.o.o. Beograd. The construction of the project will commence in 2011 and is expected to be completed in 2013. The total Developable Area for the project is 250,000 sq. ft.

The estimated schedule for deployment of Rs. 1,500.75 million is as follows:

(Rs. in million)

Total construction & development costs	Amounts deployed as on April 30, 2010	Amount to be financed from Net Proceeds	Estimated schedule for deployment of Net Proceeds		
			March 31, 2011	March 31, 2012	March 31, 2013
1,500.75	Nil	1,500.75	357.13	749.98	393.64

The particulars of the break up of the construction and development costs related to Embassy TechZone - Phase 1, Serbia are as follows:

(Rs. in million)

Sl. No.	Particulars	Total Cost
1.	Structural Work	381.00
2.	Finishing	153.25
3.	Ancillary Services including lifts, fire fighting, lighting, sanitation, electrical, plumbing etc.	422.50
4.	Consultancy/Architectural Charges	134.00
5.	Interior and Other Works	224.00
6.	Miscellaneous	186.00
	Total	**1,500.75**

Means of Finance:

The total funds required for the development and construction of Embassy TechZone – Phase I, Serbia is Rs. 1,500.75 million and the Company proposes to invest the entire Rs. 1,500.75 million by means of finance from the Net Proceeds.

Investment in Pune Embassy Projects Private Limited

Pune Embassy Projects Private Limited, a company incorporated on January 2, 2010 under the Act, is a Subsidiary of our Company wherein our Company holds 51.01% of the equity share capital. Our Company intends to invest an aggregate of Rs. 1,548.44 million of the Net Proceeds through subscription to optionally convertible and redeemable debentures issued in accordance with applicable law, which in turn is proposed to be utilized by Pune Embassy Projects Private Limited towards the construction and development costs of our commercial Ongoing Projects, Congo, MLCP 1, Rhine, MLCP 3 and Mekong within the business park, , Embassy TechZone, Pune.

The underlying land for Embassy TechZone, Pune measuring 51.57 acres in Pune has been granted on lease by MIDC pursuant to deed of assignment dated September 24, 2008 and September 29, 2008.

Congo, Embassy TechZone, Pune

The total Developable Area for the project is 514,535 sq. ft. The construction of the project commenced in 2010 and is expected to be completed in 2011.

The estimated schedule for deployment of Rs. 350.47 million is as follows:

(Rs. in million)

Total construction & development costs	Amounts deployed as on April 30, 2010	Amount to be financed from Net Proceeds	Estimated schedule for deployment of Net Proceeds		
			March 31, 2011	March 31, 2012	March 31, 2013
908.15	557.68	350.47	350.47	Nil	Nil

The particulars of the break up of the construction and development costs related to Congo, Embassy TechZone, Pune are as follows:

(Rs. in million)

Sl. No.	Particulars	Total Cost
1.	Structural Work	457.94
2.	Finishing	79.75
3.	Ancillary Services including lifts, fire fighting, lighting, sanitation, electrical, plumbing etc.	180.09

Sl. No.	Particulars	Total Cost
4.	Consultancy/Architectural Charges	54.03
5.	Interior and Other Works	72.03
6.	Miscellaneous	64.31
	Total	**908.15**

Means of Finance:

The total funds required for the development and construction of Congo, Embassy TechZone, Pune is Rs. 908.15 million, of which Rs. 557.68 million has already been deployed towards the development and construction of Congo, Embassy TechZone, Pune as on April 30, 2010.

Of this, the Company proposes to invest Rs. 350.47 million by means of finance from the Net Proceeds. The balance Rs. 557.68 million has been raised through debt.

61.41% of the stated means of finance for the project, excluding the amount to be financed from the Net Proceeds, have been arranged for by way of credit facilities amounting to Rs. 1,250 million out of the total loan amount of Rs. 3,204.3 million granted by State Bank of India *vide* supplemental agreement dated March 13, 2009, sanction letter dated March 4, 2009, loan agreement dated January 28, 2009 and letter dated February 23, 2010.

MLCP 1, Embassy TechZone, Pune

The total Developable Area for the project is 320,000 sq. ft. The construction of the project commenced in 2010 and is expected to be completed in 2011.

The estimated schedule for deployment of Rs. 309.86 million is as follows:

(Rs. in million)

Total construction & development costs	Amounts deployed as on April 30, 2010	Amount to be financed from Net Proceeds	Estimated schedule for deployment of Net Proceeds		
			March 31, 2010	March 31, 2011	March 31, 2012
314.88	5.02	309.86	309.86	Nil	Nil

The particulars of the break up of the construction and development costs related to MLCP 1, Embassy TechZone, Pune are as follows:

(Rs. in million)

Sl. No.	Particulars	Total Cost
1.	Structural Work	206.40
2.	Finishing	16.00
3.	Ancillary Services including lifts, fire fighting, lighting, sanitation, electrical, plumbing etc.	15.36
4.	Consultancy/Architectural Charges	25.60
5.	Interior and Other Works	27.20
6.	Miscellaneous	24.32
	Total	**314.88**

Means of Finance:

The total funds required for the development and construction of MLCP 1, Embassy TechZone, Pune is Rs. 314.88 million, of which Rs. 5.02 million has already been deployed towards the development and construction of the project as on April 30, 2010.

Of this, the Company proposes to invest Rs. 309.86 million by means of finance from the Net Proceeds. The balance Rs. 5.02 million has been raised through debt.

1.59% of the stated means of finance for the project, excluding the amount to be financed from the Net Proceeds, have been arranged for by way of credit facilities amounting to Rs. 1,250 million out of the total loan amount of Rs. 3,204.3 million granted by State Bank of India *vide* supplemental agreement dated March 13, 2009, sanction letter dated March 4, 2009, loan agreement dated January 28, 2009 and letter dated February 23, 2010.

Rhine, Embassy TechZone, Pune

The total Developable Area for the project is 508,525 sq. ft. The construction of the project commenced in 2010 and is expected to be completed in 2011.

The estimated schedule for deployment of Rs. 169.57 million is as follows:

(Rs. in million)

Total construction & development costs	Amounts deployed as on April 30, 2010	Amount to be financed from Net Proceeds	Estimated schedule for deployment of Net Proceeds		
			March 31, 2011	March 31, 2012	March 31, 2013
845.68	676.11	169.57	169.57	Nil	Nil

The particulars of the break up of the construction and development costs related to Rhine, Embassy TechZone, Pune are as follows:

(Rs. in million)

Sl. No.	Particulars	Total Cost
1.	Structural Work	435.01
2.	Finishing	58.52
3.	Ancillary Services including lifts, fire fighting, lighting, sanitation, electrical, plumbing etc.	170.90
4.	Consultancy/Architectural Charges	51.79
5.	Interior and Other Works	62.14
6.	Miscellaneous	67.32
	Total	**845.68**

Means of Finance:

The total funds required for the development and construction of Rhine, Embassy TechZone, Pune is Rs. 845.68 million, of which Rs. 676.11 million has already been deployed towards the development and construction of the project as on April 30, 2010.

Of this, the Company proposes to invest Rs. 169.57 million by means of finance from the Net Proceeds. The balance Rs. 676.11 million has been raised through debt.

79.95% of the stated means of finance for the project, excluding the amount to be financed from the Net Proceeds, have been arranged for by way of the following credit facilities:

(i) Rs. 705 million granted by Punjab National Bank *vide* Letter dated February 13, 2010, Term Loan Agreement dated June 2009, Supplementary Agreement dated June 2009 and Sanction Letter dated June 8, 2009; and

(ii) Rs. 775 million out of the total loan amount of Rs. 3,204.3 million granted by State Bank of India *vide* supplemental agreement dated March 13, 2009, sanction letter dated March 4, 2009, loan agreement dated January 28, 2009 and letter dated February 23, 2010.

MLCP 3, Embassy TechZone, Pune

The total Developable Area for the project is 247,380 sq. ft. The construction of the project has commenced in 2010 and is expected to be completed in 2011.

The estimated schedule for deployment of Rs. 237.98 million is as follows:

(Rs. in million)

Total construction & development costs	Amounts deployed as on April 30, 2010	Amount to be financed from Net Proceeds	Estimated schedule for deployment of Net Proceeds		
			March 31, 2010	March 31, 2011	March 31, 2012
237.98	Nil	237.98	237.98	Nil	Nil

The particulars of the break up of the construction and development costs related to MLCP 3, Embassy TechZone, Pune are as follows:

(Rs. in million)

Sl. No.	Particulars	Total Cost
1.	Structural Work	151.40
2.	Finishing	14.10
3.	Ancillary Services including lifts, fire fighting, lighting, sanitation, electrical, plumbing etc.	12.86
4.	Consultancy/Architectural Charges	20.29
5.	Interior and Other Works	21.52
6.	Miscellaneous	17.81
	Total	**237.98**

Means of Finance:

The total funds required for the development and construction of MLCP 3, Embassy TechZone, Pune is Rs. 237.98 million and the Company proposes to invest the entire Rs. 237.98 million by means of finance from the Net Proceeds.

Mekong, Embassy TechZone, Pune

The total Developable Area for the project is 301,419 sq. ft. The construction of the project commenced in 2010 and is expected to be completed in 2011.

The estimated schedule for deployment of Rs. 480.56 million is as follows:

(Rs. in million)

Total construction & development costs	Amounts deployed as on April 30, 2010	Amount to be financed from Net Proceeds	Estimated schedule for deployment of Net Proceeds		
			March 31, 2011	March 31, 2012	March 31, 2013
569.68	89.12	480.56	480.56	Nil	Nil

The particulars of the break up of the construction and development costs related to Mekong, Embassy TechZone, Pune are as follows:

(Rs. in million)

Sl. No.	Particulars	Total Cost
1.	Structural Work	258.40
2.	Finishing	48.35
3.	Ancillary Services including lifts, fire fighting, lighting, sanitation, electrical, plumbing etc.	145.06
4.	Consultancy/Architectural Charges	42.31

5.	Interior and Other Works	36.27
6.	Miscellaneous	39.29
	Total	**569.68**

Means of Finance:

The total funds required for the development and construction of Mekong, Embassy TechZone, Pune is Rs. 569.68 million, of which Rs. 89.12 million has already been deployed towards the development and construction of the project as on April 30, 2010.

Of this, the Company proposes to invest Rs. 480.56 million by means of finance from the Net Proceeds. The balance Rs. 89.12 million has been raised through internal accruals.

15.64% of the stated means of finance for the project, excluding the amount to be financed from the Net Proceeds, have been arranged from internal accruals.

Investment in Swire Properties

Swire Properties, a partnership firm was formed pursuant to a partnership deed dated December 28, 2006 between our Company, Brindavan Beverages and P. Kishenchand. Our Company intends to invest an aggregate of Rs. 496.57 million of the Net Proceeds through subscription to optionally convertible and redeemable debentures issued in accordance with applicable law, which in turn is proposed to be utilized by Swire Properties towards the construction and development costs of our commercial Ongoing Project, Embassy Techpoint, Challaghatta, Bangalore and our residential Ongoing Project Embassy Manor – Phase I, Challaghatta, Bangalore.

The underlying land for Embassy Techpoint and Embassy Manor – Phase I, Challaghatta, Bangalore is 6.8 Acres.

Embassy Manor - Phase 1, Challaghatta, Bangalore

The total Developable Area for the project is 201,979 sq. ft. The construction of the project will commence in 2012 and is expected to be completed in 2013.

The estimated schedule for deployment of Rs. 277.12 million is as follows:

(Rs. in million)

Total construction & development costs	Amounts deployed as on April 30, 2010	Amount to be financed from Net Proceeds	Estimated schedule for deployment of Net Proceeds		
			March 31, 2011	March 31, 2012	March 31, 2013
277.12	Nil	277.12	Nil	142.79	134.33

The particulars of the break up of the construction and development costs related to Phase 1, Embassy Manor, Challaghatta, Bangalore are as follows:

(Rs. in million)

Sl. No.	Particulars	Total Cost
1.	Structural Work	121.19
2.	Finishing	21.01
3.	Ancillary Services including lifts, fire fighting, lighting, sanitation, electrical, plumbing etc.	64.63
4.	Consultancy/Architectural Charges	19.19
5.	Interior and Other Works	43.02
6.	Miscellaneous	8.08
	Total	**277.12**

Means of Finance:

The total funds required for the development and construction of Embassy Techpoint, Challaghatta, Bangalore is Rs. 277.12 million and the Company proposes to invest the entire Rs. 277.12 million by means of finance from the Net Proceeds.

Embassy Techpoint, Challaghatta, Bangalore

The total Developable Area for the project is 149,289 sq. ft. The construction of the project will commence in 2012 and is expected to be completed in 2013.

The estimated schedule for deployment of Rs. 219.45 million is as follows:

(Rs. in million)

Total construction & development costs	Amounts deployed as on April 30, 2010	Amount to be financed from Net Proceeds	Estimated schedule for deployment of Net Proceeds		
			March 31, 2011	March 31, 2012	March 31, 2013
219.45	Nil	219.45	Nil	107.07	112.38

The particulars of the break up of the construction and development costs related to Embassy Techpoint, Challaghatta, Bangalore are as follows:

(Rs. in million)

Sl. No.	Particulars	Total Cost
1.	Structural Work	96.14
2.	Finishing	26.57
3.	Ancillary Services including lifts, fire fighting, lighting, sanitation, electrical, plumbing etc.	53.00
4.	Consultancy/Architectural Charges	14.18
5.	Interior and Other Works	16.42
6.	Miscellaneous	13.14
	Total	**219.45**

Means of Finance:

The total funds required for the development and construction of Embassy Techpoint, Challaghatta, Bangalore is Rs. 219.45 million and the Company proposes to invest the entire Rs. 219.45 million by means of finance from the Net Proceeds.

Pre-payment and/or Repayment of certain loans of our Company

The Company has entered into various financing arrangements with banks, financial institutions, and other corporate entities. Arrangements entered into by the Company, includes borrowings in the form of secured loans and unsecured loans. In relation to the loans which have been availed by the Company and which are proposed to be repaid from the Net Proceeds, the total amount of loan outstanding is Rs. 886.40 million as on May 31, 2010.

The Company intends to utilize the proceeds of the issue up to Rs. 886.40 million towards repayment of a portion of debt as given below. Some of the Company's financing arrangements contain provisions relating to prepayment penalty. The Company will take these provisions into consideration in pre-paying its debt from the proceeds of the Issue:

(Rs. in million)

Sl. No.	Lender	Date of the agreement	Rate of interest	Amount outstanding as on May 31, 2010	Amount to be financed from Net Proceeds
1.	Federal Bank Limited	Security letters dated	11.25% per	9.55	9.55

Sl. No.	Lender	Date of the agreement	Rate of interest	Amount outstanding as on May 31, 2010	Amount to be financed from Net Proceeds
		December 12, 2007 and Receipts dated November 19, 2007	annum		
2.	Saltire Developers Private Limited	Agreement dated April 1, 2008 and supplementary agreement dated December 30, 2009	Interest free	85.28	85.28
3.	Pune Embassy Projects Private Limited	Joint Venture agreement dated June 13, 2008	Interest free	791.57	791.57
	Total			**886.40**	**886.40**

For more information, see "Financial Indebtedness" on page 468.

Investment in certain Subsidiaries and Associates for prepayment/repayment of their loans

The Company intends to utilize the proceeds of the issue up to Rs. 3,490 million towards investment in Subsidiaries and Associates through subscription to optionally convertible and redeemable debentures issued in accordance with applicable law, which the relevant Subsidiaries and Associates will use for the repayment of a portion of their debt as given below.

Our Subsidiaries and Associates have entered into various financing arrangements with banks, financial institutions, and other corporate entities. Arrangements entered into by the Subsidiaries and Associates, includes borrowings in the form of secured loans and unsecured loans. In relation to the loans which have been availed by the Subsidiaries and Associates and which are proposed to be repaid from the Net Proceeds, the total amount of loan outstanding is Rs. 4,071.17 million as on May 31, 2010.

Some of the financing arrangements entered into by Subsidiaries and Associates contain provisions relating to prepayment penalty. The Subsidiaries and Associates will take these provisions into consideration in pre-paying its debt:

(Rs. in million)

Sl. No.	Borrower	Lender	Date of Agreement	Rate of Interest	Amount outstanding as on May 31, 2010	Amount to be financed from Net Proceeds
1.	NAM Estates Private Limited	Housing Development Finance Corporation Limited	Sanction letter dated March 31, 2010 and Letter dated May 3, 2010	13.5% per annum	1,250	1,250
2.	Golf Links Software Private Limited	Indiabulls Financial Services Limited	Loan agreement dated March 31, 2010, Sanction letter dated March 30, 2010 and Letter dated May 20, 2010.	15% per annum	550	550
3.	Pune Embassy Project Private	State Bank of India and	Various	State Bank	2,271.17	1,690[1]

Sl. No.	Borrower	Lender	Date of Agreement	Rate of Interest	Amount outstanding as on May 31, 2010	Amount to be financed from Net Proceeds
	Limited	Punjab National Bank	Agreements.	of India loans - 13% per annum and 13.25% per annum Punjab National Bank loan - 11.5% per annum		
	TOTAL				**4,071.17**	**3,490**

1. Rs. 1,263.94 million towards repayment of loans availed from State Bank of India and Rs. 426.06 million towards repayment of loan availed from Punjab National Bank.

For more information, see "Financial Indebtedness" on page 468.

General Corporate purposes

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

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

Working Capital Requirement

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

Interim Use of Funds

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

Monitoring Utilization of Funds from Issue

The Company has appointed [●] as the Monitoring Agency in relation to the Issue. The Board and [●] will monitor the utilization of the proceeds of the Issue. The Company will disclose the utilization of the proceeds of the Issue under a separate head along with details, for all such proceeds of the Issue that have

not been utilized. The Company will indicate investments, if any, of unutilized proceeds of the Issue in the balance sheet of the Company for the relevant Financial Years subsequent to the listing.

Pursuant to clause 49 of the Listing Agreement, the Company shall on a quarterly basis disclose to the Audit Committee the uses and applications of the proceeds of the Issue. On an annual basis, the Company shall prepare a statement of funds utilised for purposes other than those stated in this Draft Red Herring Prospectus and place it before the Audit Committee. Such disclosure shall be made only until such time that all the proceeds of the Issue have been utilised in full. The statement will be certified by the statutory auditors of the Company. In addition, the report submitted by the Monitoring Agency will be placed before the Audit Committee of the Company, so as to enable the Audit Committee to make appropriate recommendations to the Board of Directors of the Company.

The Company shall be required to inform material deviations in the utilisation of Issue proceeds to the stock exchanges and shall also be required to simultaneously make the material deviations/adverse comments of the Audit committee/Monitoring Agency public through advertisement in newspapers.

Except as stated above, no part of the proceeds from the Issue will be paid by the Company as consideration to its Promoters, Directors, Group Entities or key managerial employees, except in the normal course of its business.

BASIS FOR ISSUE PRICE

The Issue Price of Rs. [●] will be determined by our Company in consultation with the JGCBRLMs and the BRLMs, on the basis of assessment of market demand from the investors for the offered Equity Shares by way of a Book Building Process. The face value of the Equity Shares is Rs. 10 and the Issue Price is [●] times the face value at the lower end of the Price Band and [●] times the face value at the higher end of the Price Band.

Qualitative Factors

Some of the qualitative factors which form the basis for computing the prices are:

- Our established track record and strong execution capability
- Our ability to conceive, design, develop and manage IT business parks in a manner which builds our brand
- Our strong customer relationships with multinational companies operating in India
- Our strong asset base and near- to medium-term cash flow generating potential
- Our scalable business model and long-standing relationships with consultants and contractors
- Our professional management team with a strong track record

For further details, refer to "Our Business" and "Risk Factors" on pages 120 and xiv respectively.

Quantitative Factors

Information presented in this section is derived from our restated consolidated audited financial statements prepared in accordance with Indian GAAP.

Some of the quantitative factors which may form the basis for computing the Issue Price are as follows:

- **Basic and Diluted Earnings Per Share ("EPS")**

As per our restated consolidated audited financial statements

Basic EPS:

Particulars	Earnings Per Share (Face Value Rs. 10 per share)	
		Weight
Year ended March 31, 2007	99.10	1
Year ended March 31, 2008	73.40	2
Year ended March 31, 2009	(20.75)	3
Weighted Average	**30.61**	
Period ended February 28, 2010	(13.09)	

Diluted EPS:

Particulars	Earnings Per Share (Face Value Rs. 10 per share)	
		Weight
Year ended March 31, 2007	99.10	1
Year ended March 31, 2008	73.40	2
Year ended March 31, 2009	(20.75)	3
Weighted Average	**30.61**	
Period ended February 28, 2010	(13.09)	

Note: EPS calculations have been done in accordance with Accounting Standard 20-"Earning per share" issued by the Institute of Chartered Accountants of India.

As per our restated unconsolidated audited financial statements

Basic EPS:

Particulars	Earnings Per Share (Face Value Rs. 10 per share)	
		Weight
Year ended March 31, 2007	99.28	1
Year ended March 31, 2008	78.67	2
Year ended March 31, 2009	126.00	3
Weighted Average	**105.77**	
Period ended February 28, 2010	(39.20)	

Diluted EPS:

Particulars	Earnings Per Share (Face Value Rs. 10 per share)	
		Weight
Year ended March 31, 2007	99.28	1
Year ended March 31, 2008	78.67	2
Year ended March 31, 2009	126.00	3
Weighted Average	**105.77**	
Period ended February 28, 2010	(39.20)	

Note: EPS calculations have been done in accordance with Accounting Standard 20-"Earning per share" issued by the Institute of Chartered Accountants of India

- **Price Earnings Ratio (P/E) in relation to the Issue Price of Rs. [●] per share**

S. No.	Particulars	Standalone	Consolidated
	P/E ratio based on basic EPS for the Fiscal 2009 at the Floor Price	[●]	[●]
	P/E ratio based on diluted EPS for the Fiscal 2009 at the Floor Price	[●]	[●]
	P/E ratio based on Weighted average EPS for the Fiscal 2009 at the Floor Price	[●]	[●]
	P/E ratio based on basic EPS for the Fiscal 2009 at the Cap Price	[●]	[●]
	P/E ratio based on diluted EPS for the Fiscal 2009 at the Cap Price	[●]	[●]
	P/E ratio based on Weighted average EPS for the Fiscal 2009 at the Cap Price	[●]	[●]
	P/E ratio based on basic EPS for Period ending February 28, 2010 at the Floor Price	[●]	[●]
	P/E ratio based on diluted EPS for Period ending February 28, 2010 at the Floor Price	[●]	[●]
	P/E ratio based on basic EPS for Period ending February 28, 2010 at the Cap Price	[●]	[●]
	P/E ratio based on diluted EPS for Period ending February 28, 2010 at the Cap Price	[●]	[●]
	Industry P/E*		
	Highest – Marg Projects and Infrastructure Limited	132.7	
	Lowest – Marathon Nextgen Realty Limited	4.7	
	Industry Composite	31.6	

- Peer Group P/E:
  a. Highest: 132.7
  b. Lowest: 20.9
  c. Peer Group Average: 62.7

***Source**: Capital Markets Vol XXIV/15 dated May 17, 2010 to May 30, 2010 (Industry –Construction). Data based on full year results as reported in the edition.*

Peer Group includes DLF Limited ("DLF"), Sobha Developers Limited ("Sobha") and Brigade Enterprises Limited ("Brigade").

- **Return on Average Net Worth (RoNW) as per restated Indian GAAP financials**

RoNW:

As per our restated consolidated audited financial statements

Particulars	RONW %	Weight
Year ended March 31, 2007	49.19%	1
Year ended March 31, 2008	20.21%	2
Year ended March 31, 2009	-0.36%	3
Weighted Average	**14.76%**	
Period ended February 28, 2010	-0.23%	

As per our restated unconsolidated audited financial statements

Particulars	RONW %	Weight
Year ended March 31, 2007	49.24%	1
Year ended March 31, 2008	28.07%	2
Year ended March 31, 2009	2.31%	3
Weighted Average	**18.72%**	
Period ended February 28, 2010	-0.72%	

Note: *Return on Net worth has been computed by dividing Profit after Tax by Net Worth at the end of the year/period. The weighted average of RONW for these fiscal years have been computed by giving weights of 1, 2 and 3 for fiscal years ending March 31, 2007, 2008 and 2009.*

- **Minimum Return on Increased Net Worth required for maintaining pre-issue EPS for the year ended March 31, 2009 is [●].**
  - Based on Restated Unconsolidated Financial Statements
    - At the Floor Price – [●]%
    - At the Cap Price – [●]**%**
  - Based on Restated Consolidated Financial Statements
    - At the Floor Price – [●]%
    - At the Cap Price – [●]%

- **Net Asset Value Per Share***

  - Net Asset Value per Equity Share as of February 28, 2010 based on Restated Consolidated Financial Statements is Rs. 15.04*.
  - After the Issue: [●]
  - Issue Price: Rs. [●] [#]

** Net Asset Value per Equity Share represents net worth, as per Restated Consolidated Financial Statements, divided by the number of Equity Shares outstanding post the bonus issue of 972,420,000 Equity Shares on April 25, 2010*

[#] Issue Price will be determined on the conclusion of the Book Building Process.

- **Comparison with Industry Peers**

Fiscal 2010	EPS (Rs.)	NAV (per share)(Rs.)	P/E	RONW (%)
DLF Limited*	2.3	72.9	132.7	13.1
Sobha Developers Limited	13.9	174.2	20.9	10.3
Brigade Enterprises Limited	4.1	91.3	34.4	8.6
Embassy Property Developments Limited**	(13.09)	15.04#	[●]	-0.2

***Source**: Capital Markets Vol XXIV/15 dated May 17, 2010 to May 30, 2010 (Industry –Construction). Data based on full year results as reported in the edition.*
** Details of DLF Limited are as of fiscal 2009*
*** Details of Embassy Property Developments Limited are as of February 28, 2010 based on Restated Consolidated Financial Statements*
 # NAV per Equity Share represents net worth, as per Restated Consolidated Financial Statements, divided by the number of Equity Shares outstanding post the bonus issue of 972,420,000 Equity Shares on April 25, 2010

Since the Issue is being made through the 100% Book Building Process, the Issue Price will be determined on the basis of investor demand.

The face value of our Equity Shares is Rs. 10 each and the Issue Price is [●] times of the face value of our Equity Shares.

The Issue Price of Rs. [●] has been determined by us, in consultation with the JGCBRLMs and 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 "*Risk Factors*" on page xiv and the financials of the Company including important profitability and return ratios, as set out in the "*Financial Statements*" on page 261 to have a more informed view. The trading price of the Equity shares of the company could decline due to the factors mentioned in "*Risk Factors*" and you may lose all or part of your investments.

STATEMENT OF TAX BENEFITS

Statement of Tax Benefits for India

The Board of Directors
Embassy Property Developments Limited (formerly Dynasty Developers Private Limited)
Embassy Point
Infantry Road
Bangalore - 560001

Re: Statement of possible tax benefits available to Embassy Property Developments Limited and its Shareholders

We hereby certify that the enclosed annexure, prepared by the Company, details the possible tax benefits/consequences available to Embassy Property Developments Limited ('the Company') and its Shareholders under the applicable provisions of the Income Tax Act, 1961 and other direct and indirect tax laws presently in force in India. Several of these tax benefits/consequences are dependent on the Company or the Shareholders fulfilling the conditions prescribed under the relevant tax laws. Hence, the ability of the Company or the Shareholders to derive tax benefits is dependent upon fulfilling such conditions, which based on business imperatives the Company faces in the future, the Company may or may not choose to fulfil. No assurance is given that the revenue authorities will concur with the views expressed herein.

The benefits disclosed in the enclosed annexure are not exhaustive in nature. The enclosed annexure is only intended to provide general information to the Company and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences and the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the issue.

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

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

The contents of the enclosed annexure are based on information, explanations and representations obtained from the management of the Company which are based on their understanding of the business activities and operations of the Company and our views are based on an interpretation of the current tax laws in force in India which are subject to change from time to time. We do not have any obligation or assume any responsibility to update the views consequent to these changes.

The enclosed annexure is intended solely for your information and for inclusion in the Draft Red herring Prospectus in connection with the proposed issue and is not to be used, referred to or distributed for any other purpose without our prior written consent.

for **B S R and Co.**
Chartered Accountants

Zubin Shekary
Partner
Membership No: 48814
Firm Registration No: 128510W

Place : Bangalore
Date : 2 June 2010

ANNEXURE TO STATEMENT OF TAX BENEFITS

A. Benefits available to the Company under the Income Tax Act, 1961:

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

   However, in view of the provisions of section 14A of Act, no deduction is allowed in respect of any expenditure incurred in relation to earning such dividend income. The quantum of such expenditure liable for disallowance is to be computed in accordance with the provisions contained in Rule 8D of the Income Tax Rules, 1962.

   Also, Section 94(7) of the Act provides that losses arising from the sale/ transfer of shares or units purchased within a period of three months prior to the record date and sold/ transferred within three months or nine months respectively after such date, will be ignored to the extent dividend income on such shares or units is claimed as tax exempt.

   By virtue of section 10(35) of the Act, any income received from units of a Mutual Fund specified under section 10(23D) of the Act, is exempt from tax.

2. Under section 48 of the Act, if the investments in shares are sold after being held for not less than twelve months, the gains, if any, will be treated as long-term capital gains (in case not covered under section 10(38) of the Act) and the gains will be calculated by deducting from the gross consideration, the indexed cost of acquisition and expenditure related to such transfer. The indexed cost of acquisition / improvement adjusts the cost of acquisition / improvement by the cost of inflation index, as prescribed from time to time.

3. Under Section 35D of the Act, the Company will be entitled to a deduction equal to one fifth of the expenditure incurred of the nature specified in that section, including expenditure incurred on the present public issue of shares, such as underwriting commission, brokerage and other charges, as specified in the provision, by way of amortization over a period of 5 successive years, subject to the stipulated limits specified in section 35D(3) of the Act. Other business expenses specifically referred to in sections 29 to 37 of the Act incurred by the Company are eligible for deduction in computing the taxable profits and gains of the business of the Company subject to conditions, if any, specified in the respective provisions.

4. Under section 49 of the Act, in cases where an asset held by the Company becomes its property under a scheme of amalgamation, demerger, etc, the cost of acquisition of such shares in the hands of the Company would be deemed to be the cost at which the previous owner of the asset acquired it. Further, on transfer of such asset by the Company, the period of holding of the previous owner would be included in the period of holding of the Company in order to determine the nature of capital gain (ie whether short term or long term).

5. As per the provisions of section 10 (38) of the Act, long term capital gains arising from the transfer of shares or a unit of a equity oriented fund, where the transaction of sale of such shares is entered into in a recognized stock exchange in India on or after October 1, 2004 and chargeable to Securities Transaction Tax will be exempt from tax.

   Provided that the income by way of long-term capital gain of a company shall be taken into account in computing the book profit and income-tax payable under section 115JB from the assessment year 2007-08 onwards.

6. Under section 54EC of the Act, subject to the conditions and to the extent specified therein, long-term

capital gains (in cases not covered Section 10(38) of the Act) arising on transfer of long term capital assets are exempt from tax if the gains are invested within six months from the date of transfer in certain long term specified assets being bonds issued on or after April 1, 2007 and redeemable after three years by:

a) National Highway Authority of India constituted under section 3 of The National Highway Authority of India Act, 1988;

b) Rural Electrification Corporation Limited, the company formed and registered under the Companies Act, 1956

If only part of the capital gain is so reinvested, exemption available shall be in the same proportion as the cost of long term specified assets bears to the whole of the capital gain.

If the long-term specified asset is transferred or converted into money at any time within a period of three years from the date of acquisition, the amount of capital gains on which tax was not charged earlier shall be deemed to be income chargeable under the head "Capital Gains" of the year in which the specified asset is transferred or converted into money.

However, the investment made on or after the 1st day of April, 2007 in the long-term specified asset by an assessee during any financial year does not exceed fifty lakh rupees.

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

   As per the provisions of section 111A of the Act the short term capital gains arising from the transfer of equity shares or unit of an equity oriented fund, where the transaction of sale of such shares / unit is entered into in a recognized stock exchange in India on or after October 1, 2004 and chargeable to Securities Transaction Tax will be chargeable to tax @ 15% (Plus applicable surcharge and education cess). Where the gross total income includes short term capital gains referred to above, the deduction under Chapter VI-A and rebate under section 88 shall be allowed from the gross total income as reduced by such capital gains.

8. Under section 112 of the Act, and other relevant provisions of the Act, long term capital gains.(i.e., if shares are held for a period exceeding 12 months) (In case not covered under section 10(38) of the Act), arising on transfer of shares in the Company, shall be taxed at a rate of 20% (plus applicable surcharge). The tax shall however, not exceed 10% (plus applicable surcharge and education cess) without indexation, if the transfer is made of a listed security / units of zero coupon bonds. Where the gross total income includes long term capital gains referred to above, the deduction under Chapter VI-A shall be allowed from the gross total income as reduced by such capital gains.

9. According to section 115JB of the Act, MAT is applicable to a company if the tax payable by a company on its total income, as computed under the normal provision is less than 18% of its book profits. In computing book profits for MAT purposes, certain positive and negative adjustments must be made to the net profits of the Company. As per section 115 JAA (1A) of the Act, a company is eligible to claim credit for any taxes paid under section 115 JB of the Act against tax liabilities incurred in subsequent years.

   MAT credit eligible for carry forward to subsequent years is the difference between MAT paid and the tax computed as per normal provisions of the Act for a financial year. Such MAT credit is allowed to

be carried forward for set off up to 10 years succeeding the year in which the MAT credit becomes available.

10. U/Sec. 80IA of the Act
In accordance with and subject to the conditions specified in Section 80IA of the Act, the Company would be entitled to deduction of 100% of profits derived from any enterprise carrying on the business of (i) developing or (ii) operating and maintaining or (iii) developing, operating and maintaining any infrastructure facility which fulfils all the following conditions namely :-

    (a) It is owned by a company registered in India or by a consortium of such companies or by an authority or board or a corporation or any other body established or constituted under any Central or State Act.

    (b) It has entered into an agreement with the Central Government or a State Government or a Local Authority or any other statutory body for (i) developing or (ii) operating and maintaining or (iii) developing, operating and maintaining any infrastructure facility.

    (c) It has started or starts operating and maintaining infrastructure facility on or after 1st day of April 1995

For the purpose of this clause, "infrastructure facility" means a road including toll road, a bridge or a rail system or a highway project including housing or other activities being an integral part of the highway project or a water supply project, water treatment system, irrigation project, sanitation and sewerage system or solid waste management system or a port, airport, inland waterway, inland port or navigational channel in the sea.

11. U/Sec. 80IAB of the Act
In accordance with and subject to the conditions specified in Section 80IAB of the Act, the Company would be entitled to deduction of 100% of profits and gains derived from any undertaking or enterprise from any business of developing a Special Economic Zone, notified on or after the 1st day of April 2005 under the Special Economic Zones Act, 2005 for ten consecutive assessment years out of fifteen years beginning from the year in which a Special Economic Zone has been notified by the Central Government.

12. Education Cess of 2% and Secondary and higher education cess of 1% on Income tax payable including surcharge. The rate of tax would therefore increase accordingly.

13. As per section 74 Short term capital loss suffered during the year is allowed to be set-off against short term as well as long term capital gain of the said year. Balance loss, if any, could be carried forward for eight years for claiming set-off against subsequent years' short term as well as long-term capital gains.
Long term capital loss suffered during the year is allowed to be set-off against long term capital gains only. Balance loss, if any, could be carried forward for eight years for claiming set-off against subsequent years' Long term capital gains only.

<u>Benefits available to the shareholders of the Company under the Income Tax Act, 1961:</u>

Benefits to Resident Shareholders

14. Under section 10(34) of the Act, any income by way of dividends referred to in section 115-O received from a domestic company is exempt from income tax.

However, in view of the provisions of section 14A of Act, no deduction is allowed in respect of any expenditure incurred in relation to earning such dividend income. The quantum of such expenditure liable for disallowance is to be computed in accordance with the provisions contained in Rule 8D of

the Income Tax Rules, 1962.

Also, Section 94(7) of the Act provides that losses arising from the sale/ transfer of shares or units purchases within a period of three months prior to the record date and sold/ transferred within three months or nine months respectively after such date, will be ignored to the extent dividend income on such shares or units is claimed as tax exempt.

15. Under section 49 of the Act, in cases where an asset held by the Company becomes its property under a scheme of amalgamation, demerger, etc, the cost of acquisition of such shares in the hands of the Company would be deemed to be the cost at which the previous owner of the asset acquired it. Further, on transfer of such asset by the Company, the period of holding of the previous owner would be included in the period of holding of the Company in order to determine the nature of capital gain (ie whether short term or long term).

16. Under section 36(1)(xv) of the Act, securities transaction tax paid by a shareholder in respect of the taxable securities transactions entered into in the course of his business, would be allowed as a deduction if the income arising from such taxable securities transactions is included in the income computed under the head "Profit and gains of business or profession". However, no deduction in respect of amount paid on account of securities transaction tax will be allowed in computing the income chargeable to tax as capital gains.

17. As per the provisions of section 10 (38) of the Act that the long term capital gains arising from the transfer of shares or a unit of a equity oriented fund, where the transaction of sale of such shares is entered into in a recognized stock exchange in India on or after October 1, 2004 and chargeable to Securities Transaction Tax will be exempt from tax.

    Provided that the income by way of long-term capital gain of a company shall be taken into account in computing the book profit and income-tax payable under section 115JB from the assessment year 2007-08 onwards.

18. Under section 48 of the Act, if the investments in shares are sold after being held for not less than twelve months, the gains, if any, will be treated as long-term capital gains and the gains will be calculated by deducting from the gross consideration, the indexed cost of acquisition and expenditure related to such transfer. . The indexed cost of acquisition / improvement adjusts the cost of acquisition / improvement by the cost of inflation index, as prescribed from time to time.

    As per the provisions of section 111A of the Act the short term capital gains arising from the transfer of equity shares or unit of an equity oriented fund, where the transaction of sale of such shares is entered into in a recognized stock exchange in India on or after October 1, 2004 and chargeable to Securities Transaction Tax will be chargeable to tax @ 15% (Plus applicable surcharge and education cess). Where the gross total income includes short term capital gains referred to above, the deduction under Chapter VI-A shall be allowed from the gross total income as reduced by such capital gains.

    For the purpose of this section, 'equity oriented fund' shall have meaning as assigned to it in explanation to section 10(38).

19. Under section 112 of the Act, and other relevant provisions of the Act, long term capital gains (i.e., if shares are held for a period exceeding 12 months) (in case not covered Section 10(38) of the Act), arising on transfer of shares in the Company, shall be taxed at a rate of 20% (plus applicable surcharge and education cess) after indexation as provided in the second proviso to section 48. The amount of such tax shall however, not exceed 10% (plus applicable surcharge and education cess) without indexation, if the transfer is made of a listed security / units of zero coupon bond.

    As per section 112(2) of the Act, where the gross total income includes long term capital gains referred to above, the deduction under Chapter VI-A shall be allowed from the gross total income as reduced by such capital gains.

20. Under section 54EC of the Act, subject to the conditions and to the extent specified therein, long-term capital gains (in case not covered under Section 10(38) of the Act) arising on transfer of the shares of the Company are exempt from tax if the gains are invested within six months from the date of transfer in certain long term specified assets being bonds issued on or after April 1, 2007 and redeemable after three years by:

    a. National Highway Authority of India constituted under section 3 of The National Highway Authority of India Act, 1988;

    b) Rural Electrification Corporation Limited, the company formed and registered under the Companies Act, 1956

    If only part of the capital gain is so reinvested, exemption available shall be in the same proportion as the cost of long term specified assets bears to the whole of the capital gain. In such a case, the cost of such long-term specified asset will not qualify for deduction under section 80C of the Act. If the long-term specified asset is transferred or converted into money at any time within a period of three years from the date of acquisition, the amount of capital gains on which tax was not charged earlier shall be deemed to be income chargeable under the head "Capital Gains" of the year in which the specified asset is transferred or converted into money.

    However, the investment made on or after the 1st day of April, 2007 in the long-term specified asset by an assessee during any financial year does not exceed fifty lakh rupees.

21. Under section 54F of the Act, capital gains arising from the transfer of any long term capital asset ('original assets') not being a residential house, by an individual or Hindu Undivided Family (HUF) are exempt from capital gains tax if the net consideration is utilized, within a period of one year before, or within two years after the date of transfer , in the purchase of a residential house, or for construction of a residential house within three years. Such benefit will not be available:
    a) if the individual or Hindu Undivided Family-

    i. Owns more than one residential house, other than the new residential house, on the date of transfer of the original asset; or

    ii. Purchases another residential house within a period of one year after the date of transfer of the original asset; or

    iii. Constructs another residential house other than the new house within a period of three years after the date of transfer of the original asset; and

    b) The income from such residential house, other than the one residential house owned on the date of transfer of the original asset, is chargeable under the head "Income from house property"

    If only a part of the net consideration is so invested, so much of the capital gains as bears to the whole of the capital gain the same proportion as the cost of the residential house bears to the net consideration shall be exempt.

    If the residential house is transferred within a period of three years from the date of purchase or construction, the amount of capital gains on which tax was not charged earlier, shall be deemed to be income chargeable under the head "Capital Gains" of the year in which the residential house is transferred.

22. Education Cess of 2% and Secondary and higher education cess of 1% on Income tax payable The rate of tax would therefore increase accordingly.

23. As per section 74 Short term capital loss suffered during the year is allowed to be set-off against short

term as well as long term capital gain of the said year. Balance loss, if any, could be carried forward for eight years for claiming set-off against subsequent years' short term as well as long-term capital gains. Long term capital loss suffered during the year is allowed to be set-off against long term capital gains only. Balance loss, if any, could be carried forward for eight years for claiming set-off against subsequent years' Long term capital gains only.

Benefits to Non-resident Indians / Non residents shareholders (Other than FIIs)

24. Under section 10(34) of the Act, any income by way of dividends referred to in section 115-O received from a domestic company is exempt from income tax.

    However, in view of the provisions of section 14A of Act, no deduction is allowed in respect of any expenditure incurred in relation to earning such dividend income. The quantum of such expenditure liable for disallowance is to be computed in accordance with the provisions contained in Rule 8D of the Income Tax Rules, 1962.

    Also, Section 94(7) of the Act provides that losses arising from the sale/ transfer of shares or units purchases within a period of three months prior to the record date and sold/ transferred within three months or nine months respectively after such date, will be disallowed to the extent dividend income on such shares or units is claimed as tax exempt.

25. Under section 49 of the Act, in cases where an asset held by the Company becomes its property under a scheme of amalgamation, demerger, etc, the cost of acquisition of such shares in the hands of the Company would be deemed to be the cost at which the previous owner of the asset acquired it. Further, on transfer of such asset by the Company, the period of holding of the previous owner would be included in the period of holding of the Company in order to determine the nature of capital gain (ie whether short term or long term).
26. Under section 36(1)(xv) of the Act, securities transaction tax paid by a shareholder in respect of the taxable securities transactions entered into in the course of his business, would be allowed as a deduction if the income arising from such taxable securities transactions is included in the income computed under the head "Profit and gains of business or profession". However, no deduction in respect of amount paid on account of securities transaction tax will be allowed in computing the income chargeable to tax as capital gains.

27. As per the provisions of section 10 (38) of the Act that the long term capital gains arising from the transfer of shares or a unit of a equity oriented fund, where the transaction of sale of such shares is entered into in a recognized stock exchange in India on or after October 1, 2004 and chargeable to Securities Transaction Tax will be exempt from tax.

    Provided that the income by way of long-term capital gain of a company shall be taken into account in computing the book profit and income-tax payable under section 115JB from the assessment year 2007-08 onwards.

28. Under the first proviso to section 48 of the Act, in case of a non-resident, in computing the capital gains arising from transfer of shares of the Indian Company acquired in convertible foreign exchange, cost indexation will not be applicable. The capital gains/loss in such a case will be computed by converting the cost of acquisition, consideration for transfer and expenditure incurred wholly and exclusively in connection with such transfer into the same foreign currency which was utilized in the purchase of the shares and the capital gains computed in such foreign currency shall be reconverted into Indian currency, such that the aforesaid manner of computation of capital gains shall be applicable in respect of capital gains accruing/arising from every reinvestment thereafter and sale of shares or debentures of an Indian company.

29. Under Section 54EC of the Act, subject to the conditions and to the extent specified therein, long-term

capital gains (in case not covered under section 10(38) of the Act) arising on transfer of long term capital asset are exempt from tax if the gains are invested within six months from the date of transfer in certain long term specified assets being bonds issued on or after April 1, 2007 and redeemable after three years by:

a. National Highway Authority of India constituted under section 3 of The National Highway Authority of India Act, 1988;

b. Rural Electrification Corporation Limited, the company formed and registered under the Companies Act, 1956.

If only part of the capital gain is so reinvested, exemption available shall be in the same proportion as the cost of long term specified assets bears to the whole of the capital gain. In such a case, the cost of such long-term specified asset will not qualify for deduction under section 80C of the Act. If the long-term specified asset is transferred or converted into money at any time within a period of three years from the date of acquisition, the amount of capital gains on which tax was not charged earlier shall be deemed to be income chargeable under the head "Capital Gains" of the year in which the specified asset is transferred or converted into money.

However, the investment made on or after the 1st day of April, 2007 in the long-term specified asset by an assessee during any financial year does not exceed fifty lakh rupees.

30. Under section 54F of the Act, capital gains arising from the transfer of any long term capital asset ('original assets') not being a residential house, by an individual or Hindu Undivided Family (HUF) are exempt from capital gains tax if the net consideration is utilize, within a period of one year before, or within two years after the date of transfer , in the purchase of a residential house, or for construction of a residential house within three years. Such benefit will not be available:
a) if the individual or Hindu Undivided Family-

iv. Owns more than one residential house, other than the new residential house, on the date of transfer of the original asset; or

v. Purchases another residential house within a period of one year after the date of transfer of the original asset; or

vi. Constructs another residential house other than the new house within a period of three years after the date of transfer of the original asset; and

b) The income from such residential house, other than the one residential house owned on the date of transfer of the original asset, is chargeable under the head "Income from house property"

If only a part of the net consideration is so invested, so much of the capital gains as bears to the whole of the capital gain the same proportion as the cost of the residential house bears to the net consideration shall be exempt.

If the residential house is transferred within a period of three years from the date of purchase or construction, the amount of capital gains on which tax was not charged earlier, shall be deemed to be income chargeable under the head "Capital Gains" of the year in which the residential house is transferred.

As per the provisions of section 111A of the Act the short term capital gains arising from the transfer of equity shares or unit of an equity oriented fund, where the transaction of sale of such shares is entered into in a recognized stock exchange in India on or after October 1, 2004 and chargeable to Securities Transaction Tax will be chargeable to tax @ 15% (Plus applicable surcharge and education cess). Where the gross total income includes short term capital gains referred to above, the deduction under Chapter VI-A shall be allowed from the gross total income as reduced by such capital gains. For

the purpose of this section, 'equity oriented fund' shall have meaning as assigned to it in explanation to section 10(38).

31. Under section 112 of the Act, and other relevant provisions of the Act, long term capital gains.(i.e., if shares are held for a period exceeding 12 months) (In case not covered under section 10(38) of the Act), arising on transfer of shares in the Company, shall be taxed at a rate of 20% (plus applicable surcharge). The tax shall however, not exceed 10% (plus applicable surcharge and education cess) without indexation, if the transfer is made of a listed security.

    As per section 112(2) of the Act, where the gross total income includes long term capital gains referred to above, the deduction under Chapter VI-A and rebate under section 88 shall be allowed from the gross total income as reduced by such capital gains.

32. Education Cess of 2% and Secondary and higher education cess of 1% on Income tax payable. The rate of tax would therefore increase accordingly.

33. A non-resident Indian (i.e. an individual being a citizen of India or person of Indian origin who is not a resident) has an option to be governed by the provisions of Chapter XIIA of the Act, viz. "Special Provisions Relating to Certain Incomes of Non-Residents" which are as follows:

    a. According to the provisions of section 115D read with section 115E of the Act and subject to the conditions specified therein, long term capital gains arising on transfer of shares in an Indian Company not exempt under section 10 (38), will be subject to tax at the rate of 10 percent (plus applicable education cess and secondary higher education cess) without indexation benefit.

    b. Under section 115F of the Act, long term capital gains (in case not covered under section 10(38) of the Act) arising to a non-resident Indian from the transfer of shares of the company subscribed to in convertible foreign exchange is exempt from Income tax, if the net consideration is reinvested in specified assets within six months from the date of transfer. If only a part of the net consideration is so invested, the exemption shall be proportionately reduced.
    If the specified asset is transferred or converted into money within a period of three years from the date of its acquisition, the amount of capital gains on which tax was not charged earlier, shall be deemed to be income chargeable under the head "Capital gains" of the year in which the specified asset is transferred or converted.

    c. Under Section 115G of the Act, it shall not be necessary for a Non-resident Indian to furnish his return of income if his income chargeable under the act consists on only investment income or long term capital gains or both arising out of specified assets acquired, purchased or subscribed in convertible foreign exchange and tax deductible at source has been deducted there from.

    d. Under section 115H of the Act, where the Non-resident Indian becomes assessable as a resident in India, he may furnish a declaration in writing to the Assessing Officer, along with his return of income for that year under section 139 of the Act to the effect that the provisions of the Chapter XIIA shall continue to apply to him in relation to such investment income derived from the foreign exchange assets mentioned in sub clauses (ii), (iii), (iv) and (v) of clause (f) of Sec 115C for that year and subsequent assessment years until such assets are converted into money.

    e. Under section 115I of the Act, a Non-Resident Indian may elect not be governed by the provisions of Chapter XIIA for any assessment year by furnishing his return of income for that assessment year under Section 139 of the Act, declaring therein that the provisions of Chapter XII-A shall not apply to him for that assessment year and accordingly his total

income for that assessment year will be computed in accordance with the other provisions of the Act.

34. Under section 90(2) of the Act, where the central Government has entered into an agreement with the government of any country outside India for granting relief of tax, or as the case may be, avoidance of double taxation, then, in relation to the assessee to whom such agreement applies, the provisions of the Act shall apply to the extent they are more beneficial to that assessee.

Benefits to Foreign Institutional Investors (FIIs)

35. Under section 10(34) of the Act, any income by way of dividends referred to in section 115-O received from a domestic company is exempt from income tax.

However, in view of the provisions of section 14A of Act, no deduction is allowed in respect of any expenditure incurred in relation to earning such dividend income. The quantum of such expenditure liable for disallowance is to be computed in accordance with the provisions contained Rule 8D of the Income Tax Rules, 1962..

Also, Section 94(7) of the Act provides that losses arising from the sale/ transfer of shares or units purchases within a period of three months prior to the record date and sold/ transferred within three months or nine months respectively after such date, will be disallowed to the extent dividend income on such shares or units is claimed as tax exempt.

36. Under section 49 of the Act, in cases where an asset held by the Company becomes its property under a scheme of amalgamation, demerger, etc, the cost of acquisition of such shares in the hands of the Company would be deemed to be the cost at which the previous owner of the asset acquired it. Further, on transfer of such asset by the Company, the period of holding of the previous owner would be included in the period of holding of the Company in order to determine the nature of capital gain (ie whether short term or long term).
37. Under section 36(1)(xv) of the Act, securities transaction tax paid by a shareholder in respect of the taxable securities transactions entered into in the course of his business, would be allowed as a deduction if the income arising from such taxable securities transactions is included in the income computed under the head "Profit and gains of business or profession". However, no deduction in respect of amount paid on account of securities transaction tax will be allowed in computing the income chargeable to tax as capital gains.

38. As per the provisions of section 10 (38) of the Act that the long term capital gains arising from the transfer of shares or a unit of a equity oriented fund, where the transaction of sale of such shares is entered into in a recognized stock exchange in India on or after October 1, 2004 and chargeable to Securities Transaction Tax will be exempt from tax.

Provided that the income by way of long-term capital gain of a company shall be taken into account in computing the book profit and income-tax payable under section 115JB from the assessment year 2007-08 onwards.

39. As per the provisions of Section 115AD of the Income Tax Act, income (other than income by way of dividends referred to in Section 115 O of the IT Act) of FIIs arising from securities (other than the units purchased in foreign currency referred to Section 115AB of the Income Tax Act) would be taxed at concessional rates , as follows:

Nature of Income	Rate of Tax (%)
Income in respect of securities	20
Long Term Capital Gains	10
Short Term Capital Gains (other than short term capital gain referred to in Section 111A)	30

The benefits of indexation and foreign currency fluctuation protection as provided under Section 48 of the Income Tax Act are not available.

40. As per the provisions of section 111A of the Act, the short term capital gains arising from the transfer of equity shares, where the transaction of sale of such shares is entered into in a recognized stock exchange in India on or after 1st day of October, 2004 and chargeable to Securities Transaction Tax will be chargeable to tax @ 15% (plus surcharge).
Where the gross total income includes short term capital gains referred to above, the deduction under Chapter VI-A shall be allowed from the gross total income as reduced by such capital gains.

For the purpose of this section, 'equity oriented fund' shall have meaning as assigned to it in explanation to section 10(38).

41. Under Section 54EC of the Act, subject to the conditions and to the extent specified therein, long-term capital gains (in case not covered section 10(38) of the Act) arising on transfer of a long term capital asset are exempt from tax if the gains are invested within six months from the date of transfer in certain long term specified assets being bonds issued on or after April 1, 2007 and redeemable after three years by:

    a. National Highway Authority of India constituted under section 3 of The National Highway Authority of India Act, 1988;

    b. Rural Electrification Corporation Limited, the company formed and registered under the Companies Act, 1956.

    If only part of the capital gain is so reinvested, exemption available shall be in the same proportion as the cost of long term specified assets bears to the whole of the capital gain.
    In such a case, the cost of such long-term specified asset will not qualify for deduction under section 80C of the Act.
    If the long-term specified asset is transferred or converted into money at any time within a period of three years from the date of acquisition, the amount of capital gains on which tax was not charged earlier shall be deemed to be income chargeable under the head "Capital Gains" of the year in which the specified asset is transferred or converted into money.
    However, the investment made on or after the 1st day of April, 2007 in the long-term specified asset by an assessee during any financial year does not exceed fifty lakh rupees.

42. Education Cess of 2% and Secondary and higher education cess of 1% on Income tax payable including surcharge. The rate of tax would therefore increase accordingly.

43. As per section 196D, no tax is to be deducted from any income, by way of capital gains arising from the transfer of shares payable to Foreign Institutional Investor.

44. Under section 90(2) of the Act, where the central Government has entered into an agreement with the government of any country outside India for granting relief of tax, or as the case may be, avoidance of double taxation, then, in relation to the assessee to whom such agreement applies, the provisions of this act shall apply to the extent they are more beneficial to that assessee.

<u>Benefits to Mutual Funds</u>

45. Under section 10(34) of the Act, any income by way of dividends referred to in section 115-O received from a domestic company is exempt from income tax.

    However, in view of the provisions of section 14A of Act, no deduction is allowed in respect of any expenditure incurred in relation to earning such dividend income. The quantum of such expenditure liable for disallowance is to be computed in accordance with the provisions contained in Rule 8D of the Income Tax Rules, 1962.

Also, Section 94(7) of the Act provides that losses arising from the sale/ transfer of shares or units purchased within a period of three months prior to the record date and sold/ transferred within three months or nine months respectively after such date, will be disallowed to the extent dividend income on such shares or units is claimed as tax exempt.

46. Under section 10(23D) of the Act, any income of:

    a) A Mutual Fund registered under the Securities and Exchange Board of India Act, 1992 or regulations made there under;

    b) Such other Mutual Fund set up by a public sector bank or a public financial institution or authorized by the Reserve Bank of India and subject to such conditions as the Central Government may, by notification in the Official Gazette, specify in this behalf will be exempt from income-tax.

Benefits available to Venture Capital Companies / Funds:

47. Under section 10(34) of the Act, any income by way of dividends referred to in section 115-O received from a domestic company is exempt from income tax.

    However, in view of the provisions of section 14A of Act, no deduction is allowed in respect of any expenditure incurred in relation to earning such dividend income. The quantum of such expenditure liable for disallowance is to be computed in accordance with the provisions contained in Rule 8D of the Income Tax Rules, 1962.

    Also, Section 94(7) of the Act provides that losses arising from the sale/ transfer of shares or units purchased within a period of three months prior to the record date and sold/ transferred within three months or nine months respectively after such date, will be disallowed to the extent dividend income on such shares or units is claimed as tax exempt.

48. As per the provisions of section 10 (23FB) of the Act, any income of Venture Capital Companies / Funds registered with the Securities and Exchange Board of India would be exempt from income tax, subject to the conditions specified.

C. Benefits available to the shareholders of the Company under the Wealth Tax Act, 1957:

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

D. Benefits available to the shareholders of the Company under the Gift Tax Act, 1958:

50. Gift made on or after 1st October, 1998 is not liable for any gift tax, and hence, gift of shares of the Company would not be liable for any gift tax. However, from 01 October 2009 the same will be taxed in the hands of the done if it fulfils the conditions entailed in Clause (vii) of section 56 of the Income Tax Act, 1961

Notes:

1. The above statement of Possible Direct Tax Benefits sets out the possible tax benefits available to the Company and its shareholders under the current tax laws presently in force in India. Several of these benefits are dependent on the company or its shareholders fulfilling the conditions prescribed under the relevant tax laws.
2. The above Statement of possible tax benefits sets out the provisions of law in a summary manner only and is not a complete analysis or list of all potential tax consequences.
3. The stated benefits will be available only to the sole/first named holder in case the shares are held by joint holders.

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

5. In view of the individual nature of tax consequences, each investor is advised to consult his/her/its own tax advisor with respect to specific tax consequences of his/her/its participation in the scheme.

6. The tax benefits listed above are not exhaustive.

7. No assurance is given that the revenue authorities / courts will concur with the views expressed herein. Our views are based on the existing provisions of law and its interpretation, which are subject to changes from time to time. We do not assume responsibility to update the views consequent to such changes.

Statement of Tax Benefits of Malaysia

To,

UBS Securities India Private Limited
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Mumbai – 400051, Maharashtra, India

Nomura Financial Advisory and Securities (India) Private Limtied
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Edelweiss Capital Limited
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Board of Directors
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Overview of Tax Implications To The Company and its Shareholders Under The Malaysian Income Tax Act, 1967 ("MITA")

1.1 The current Malaysian tax regime comprises of, amongst others income tax, real property gains tax, sales and service tax and stamp duty. Malaysia adopts a territorial and remittance scope of taxation in that only income accruing in or derived from Malaysia or remitted into Malaysia by a person is taxable in Malaysia.

1.2 However, foreign-sourced income (i.e. income derived from sources outside Malaysia) received in Malaysia by a person, other than a resident company carrying on the business of banking, insurance or sea or air transport, is exempt from Malaysian tax.

1.3 A Malaysian tax resident company is taxed on a current year basis in Malaysia on its chargeable income [taxable income less allowable deductions and capital allowances (i.e. tax depreciation)] at the prevailing corporate tax rate of 25% for year of assessment ("YA") 2009 onwards. The YA is the calendar year and the basis period for YA 2009 is generally the financial year of the company ending in 2009 (there may be exceptions generally in the start up period).

1.4 Small and medium scale companies ("SME"), defined as companies with a paid-up capital of RM2.5 million and below at the beginning of its basis period is taxed at a preferential tax rate of 20% for the first RM500,000 of chargeable income and 25% on chargeable income in excess of RM500,000.

` However, this preferential tax rate will not be available to SME if more than:-

a) 50% of the paid up capital in respect of ordinary shares of the company is directly or indirectly owned by a Related Company;
b) 50% of the paid up capital in respect of ordinary shares of the Related Company is directly or indirectly owned by the SME; or
c) 50% of the paid up capital in respect of ordinary shares of the SME and the Related Company is directly or indirectly owned by another company.

"Related Company" is defined as a company which has a paid up capital exceeding RM2.5 million in respect of ordinary shares.

1.5 For the purposes of MITA, a company is tax resident in Malaysia for a YA if it is managed and controlled from Malaysia, meaning that generally, a company would qualify as a tax resident in Malaysia if the board of directors (assuming the board controls the company) holds its meeting(s) in Malaysia in the basis period for that YA and one such meeting held in Malaysia would be sufficient.

1.6 Generally, the basic rule of deductibility under Section 33(1) of the MITA is that expenditure which is revenue in nature and which is wholly and exclusively incurred in the production of gross income ranks for deduction. However, there are certain expenses that are specifically disallowed for tax purposes under the MITA, e.g. personal/domestic expenses, capital expenditure, expenses where any withholding tax required has not been paid etc. Generally, a 50% deduction is allowed in respect of entertainment expenses.

1.7 Interest restriction is computed where borrowings are used for non-business purposes. Where the Malaysian subsidiary has borrowed money and it appears to the Malaysian Inland Revenue Board (MIRB)] that the loans were used wholly or partly, directly or indirectly, to finance investments or to on-lend to others, the interest expense on that portion of the loans would be disallowed as a deduction against gross business income. However, the disallowed interest can be set off against income from the investments (i.e. dividend, rental) or advances made. Any excess of the interest expense over investment income will not be allowed to be carried forward or to be set off against business income. In addition, the quantum of interest expense incurred must be reasonable in accordance with the arm's length principle.

1.8 Business losses incurred in the basis period for a YA can be utilized for set off against any income (i.e. business income as well as investment income such as interest, rentals, etc other than dividends) derived in the same YA.

1.9 Unabsorbed business losses can be carried forward indefinitely but can only be utilized for set off against future income from all business sources (but not against investment income). Companies will not be allowed to carry forward unabsorbed business losses and capital allowance to set off future income if there is a substantial change, i.e. 50% or more, in its ordinary shareholding. Nonetheless, this restriction of carrying forward the business losses is limited to dormant companies only. A company is dormant if there is no significant accounting transactions (except for the incurrence of minimal regulatory compliance expenditure i.e. annual return filing fee, secretarial fee, tax filing fee, audit fee and accounting fee) during the immediate preceding financial year prior to the substantial change in shareholding of the company.

1.10 There are 3 general classes of annual capital allowances for plant and machinery, in addition to a 20% initial allowance in the first year. For office equipment, furniture and fittings, an annual depreciation allowance of 10% over 8 years is allowed. For general plant and machinery, it is set at 14% over 6 years. For heavy machinery and motor vehicles, it is 20% over 4 years. Certain types of plant and machinery, such as computers, which have been given special annual

allowances exceeding 20%, may be time depreciated in a year or two. Some small value assets qualify for capital allowance which can be claimed over one year.

1.11 As an additional incentive, effective from YA 2009, accelerated capital allowance ("ACA") is granted to residents on qualifying expenditure incurred on new acquisition of plant and machinery between 10 March 2009 and 31 December 2010. The above ACA can be claimed within 2 years. For plant and machinery acquired via hire purchase, only the principal portion of any installment payments made between the 10 March 2009 and 31 December 2010 are allowed for this accelerated capital allowances. However, the accelerated capital allowance claimed will be clawed back if the plant and machinery is disposed of within two years from the date of acquisition.

Persons enjoying certain tax incentives (e.g. reinvestment allowance) in the period on or after 10 March 2009 to 31 December 2010 may not be entitled to ACA.

1.12 Unabsorbed capital allowances can be carried forward indefinitely for set off against the adjusted income from the same business source only, provided there is no substantial change in shareholding as mentioned above. Similar to unutilized business losses, based on the present policy, the restriction only applies to a dormant company.

1.13 The Malaysian corporate tax is based on the single tier tax system where tax on a company's profit is a final tax. Dividends paid by a resident company under this system would be tax exempted in the hands of shareholders and such single tier dividends will not carry a tax credit.

1.14 Malaysia does not tax capital gains from the sale of investments or capital assets other than those related to land and buildings. A real property gains tax (RPGT) applies to the sale of land in Malaysia and any interest, option or other right in or over such land. This includes gains from the sale of shares in a "real property company" i.e. a controlled company (one with not more than fifty members and controlled by no more than five persons) whose holdings of real property or shares in a real property company amounts to 75% or more of its total tangible assets.

1.15 Effective January 2010, chargeable gains are subject to RPGT at an effective flat rate of 5% if the disposal takes place within five years from the date of acquisition. Any disposal made after the five year holding period is exempted from RPGT.

1.16 Capital losses arising from the sale of real property may be used to offset capital gains from such sales. Gains resulting from the disposal of property compulsorily acquired are exempt from the tax, as are asset transfers by resident companies under an approved restructuring scheme.

1.17 Malaysia does not impose withholding tax on dividends paid to non-resident shareholders. Interest paid to a non-resident by banks operating in Malaysia is exempt from tax (Schedule 6, of the Income Tax Act 1967), except for interest paid on funds required to maintain networking funds as prescribed by the central bank of Malaysia. This is only applicable for a Malaysian branch of an overseas company. It refers to the total amount granted by its Headquarters to finance the operations of the branch in Malaysia without charging any interest and with no fixed repayment schedule.

Yours faithfully,
BSR CONSULTANCY SDN BHD

BULVIR SINGH
Director
July 9, 2010

Statement of Tax Benefits of Serbia

8th July, 2010

To:

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Ramgopal Narayanan
Deputy General Manager
Embassy Techzones d.o.o
Dedinjska 10
11040 Beograd
Serbia

RE: tax benefit statement available for Embassy Techzones d.o.o. and its shareholders

Dear,

Pursuant to your inquiry regarding the tax benefits available to Embassy Techzones d.o.o. (hereinafter: ETZ) and its majority shareholders according to the law on Corporate Income Tax (CIT), as well as tax consequences (in Serbia) of potential sale of shares by majority shareholders (resident of Cyprus), we hereby present you our analysis.

I. Tax benefits available to the Company

In accordance with and subject to the conditions specified under the CIT Law ("Official Gazette RS" 25/2001, …, 18/2010), following tax benefits are available to the Company:

- tax credit for investment in fixed assets
- tax incentive for large investments
- tax incentive for income generated through business activities in undeveloped areas
- tax relief for income generated through new business unit in undeveloped areas

A. Tax credit for investment in fixed assets

A taxpayer who invests in fixed assets used in his registered business activity is entitled to a tax credit equivalent to 20% of the value of investment in the year of investment (40% for small entities). The tax credit is limited to 50% of the assessed tax in the respective year (70% for small entities).

The unutilized portion of tax credit may be carried over to the future accounting period, but not longer than 10 years. Any unutilized tax credit from the previous year(s) may be applied in the current year in the order of investment once that current year's tax credit has been used.

Investments in airplanes, boats, passenger vehicles, furniture and art are not subject to tax credits (unless for transportation or rent-a-car companies etc).

In case of disposal of assets within 3 years from the acquisition date (unless in case of merges/demergers), the taxpayer is liable to pay the amount equal to utilized tax credits, increased for local inflation rate.

Furthermore, in case of disposal of assets after 3 years from the acquisition (and before the 10 years deadline), the taxpayer is no longer entitled to use related unutilized tax credits.

The taxpayer is liable to inform the Tax Authorities regarding disposal of assets within 5 days of such event.

Purchase of equipment previously used in Serbia is not considered as investment.

B. Tax incentive for large investments

The Law prescribes a special tax relief for investments in excess of EUR 8 million, subject to fulfilment of the following conditions:

- Investment of over 800 million dinars (approx EUR 8 million) in fixed assets for used for registered business activities (investments in progress are not considered as fixed assets in use until activation), and
- Employment of 100 new employees for an indefinite period of time

Investments made through share capital and increases of share capital are also considered as investments in fixed assets. Valuation of these investments is performed according to fair market value. Since the law was recently enacted (in March 2010), there are still no bylaws or rulings available in respect to valuation of investments.

The tax relief is granted in proportion to the value of investment: the tax liability is reduced based on the ratio between the value of new assets and total assets (total assets include the newly acquired assets). This ratio must be separately calculated for each year. The tax relief runs from the year in which the first taxable income is generated, after both of the above conditions are fulfilled and last for 10 years.

For the purposes of this incentive, new employees are not considered to be the individuals formerly employed in a company, which is directly or indirectly related to the taxpayer.

Furthermore, in case of reduction of assets or employees (which are not replaced), the taxpayer is no longer entitled to use this incentives and is liable to pay the amount equal to utilized tax credits, increased for local inflation rate.

Please note that purchase of equipment previously used in Serbia is not considered as investment.

C. Tax incentive for income generated through business activities in undeveloped areas

Taxpayer performing business activities in undeveloped area is tax exempt for five years if the following conditions are met:

- Investment of over 8 million dinars (approx EUR 80 thousand) in fixed assets;
- At least 80% of fixed assets are used for performing registered business activities in undeveloped area;

- Employment of 5 new employees for an indefinite period of time; and
- At least 80% of employees are resident in the undeveloped area.

The tax relief is granted in proportion to the value of investment. New employees must comply with certain residency conditions (to be residents of the undeveloped area for at least 9 months).

For other matters, conditions regarding tax incentives for fixed assets apply.

D. Tax relief for income generated through new business unit in undeveloped areas

Taxpayer who generates profits in newly established business unit in undeveloped areas according to regional development regulations is granted a tax relief in the period of 2 years, proportional to the amount of the business unit profit compared to the Company's total profit.

The condition for applying such relief is to provide separate accounting records for the new business unit.

II. Tax benefits available to the shareholders

A. Dividends distributed to Serbian shareholders (legal entity)

According to the CIT, any dividend received from domestic company is exempt from taxation.

B. Dividends distributed to Cypriot shareholders

According to the provisions of the CIT, distribution of dividends to non-residents is subject to withholding tax at the statutory rate of 20%, or at the rate as stipulated by the relevant Double Tax Treaty (DTT).

The provisions of the DTT can be applied providing that appropriate documentation exists:

- Residence certificate for the income recipient issued by the respective country, which must be issued on the form prescribed by the Serbian Ministry of Finance, and
- Proof that the non-resident is beneficial owner of the income

A DTT exists between Serbia and Cyprus. The treaty provides for 10% withholding tax on dividends. The taxpayer is the Serbian entity which distributes profit.

III. Related tax consequences on sale of ETZ stakes by shareholders

A. Sale of shares by Cypriot shareholders

According to the provisions of the CIT Law, realized capital gains from sale of shares/stakes by non-residents are subject to tax at the statutory rate of 20%, or at the rate as stipulated by the relevant DTT.

The provisions of the DTT can be applied providing that appropriate documentation exists:

- Residence certificate for the income recipient issued by the respective country, which must be issued on the form prescribed by the Serbian Ministry of Finance, and
- Proof that the non-resident is beneficial owner of the income

A DTT exists between Serbia and Cyprus which provides that capital gains arising from the sale of shares/stakes realized by a Cypriot resident will only be taxable in Cyprus. Therefore, no tax obligations should arise in Serbia.

Disclaimer

Our work was performed using due professional care and is based upon the information provided to us. If you have reason to believe that we are not aware of all relevant facts, it is your responsibility to inform us

immediately so that we can analyze the additional information and adjust our advice accordingly. We have advised you based upon our understanding of the law as of this date. Situations do exist whereby the tax and other authority's interpretation of the law may vary from ours.

* * *

We hope that the above information satisfies your needs at present. Should you have any question regarding the above, please do not hesitate to contact us.

Kind regards,

Filip Vuković	Srdjan Petrovic
Senior consultant, tax services	Partner, tax services
Deloitte d.o.o.	Deloitte d.o.o.

SECTION IV – ABOUT THE COMPANY

INDUSTRY OVERVIEW

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

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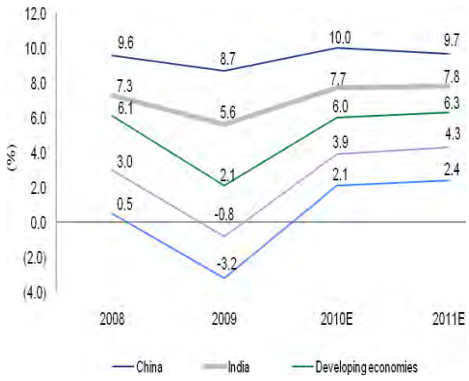
The Indian Economy

India is the world's largest democracy in terms of population (approximately 1.16 billion people) as at July 2009 with a GDP, on a purchasing power parity basis, of approximately US$3,548 trillion in 2009. *(Source: CIA World Factbook)* This makes it the fifth largest economy in the world in terms of GDP after the European Union, United States of America, China and Japan.*(Source: CIA World Factbook)* In the past, India has experienced rapid economic growth, with GDP growing at an average growth rate of 8.8% between Fiscal 2003 and Fiscal 2008. As a result of the global economic downturn, this high growth trajectory was impeded in Fiscal 2009, with the growth rate of India's GDP decelerating to 5.9% in the second half of Fiscal 2009, compared to 9.0% in Fiscal 2008.*(Source: RBI, Macroeconomic and Monetary Developments: First Quarter Review: 2009-10)* However, according to the Indian Ministry of Statistics and Programme Implementation, India's GDP grew by 8.6% during the fourth quarter of Fiscal 2010, and compared with a growth rate of 6.0% during the third quarter of Fiscal 2010.

The graph below illustrates the comparison between India’s expected GDP growth during the 2010 and 2011 calendar years and the expected GDP growth of China and other developing economies in the same period. As can be seen from the graph, positive GDP growth is expected in 2010. This is due to the fact that economic conditions have improved mainly due to Government intervention. Recent data suggests that the rate of decline in economic activity is moderating, although this is occurring to varying degrees across different regions.

	2008	2009	2010E	2011E
China	9.6	8.7	10.0	9.7
India	7.3	5.6	7.7	7.8
Developing economies	6.1	2.1	6.0	6.3
World	3.0	-0.8	3.9	4.3
Advanced economies	0.5	-3.2	2.1	2.4



Source: International Monetary Fund, World Economic Outlook Update, January 2010)

India's ability to recover from the global slowdown (and its own domestic liquidity crisis) has been driven by the country's large domestic savings and corporate retained earnings, which have been used to finance investment. Similarly, although urban consumption has slowed as a result of a recent decline in the labor market and job losses, low export dependence, large rural consumption and employment have all helped India to sustain consumption. In addition, fiscal policy, primarily in the form of reduced interest rates and Government intervention, has helped to maintain private demand, liquidity and short-term rates, thereby reducing the risk of loan losses.

Since 1991, successive Governments have pushed through comprehensive reforms across the policy spectrum in the areas of fiscal and industrial policy, trade and finance. Some of the key reform measures are:

- ***Industrial Policy Reforms:*** Removal of capacity licensing and opening up most sectors to Foreign Direct Investment ("**FDI**");
- ***Trade Policy Reforms:*** Lowering of import tariffs across industries, minimal restrictions on imports; and
- ***Monetary Policy and Financial Sector Reforms:*** Lowering interest rates, relaxation of restrictions on fund movement and the introduction of private participation in insurance sector.

An important factor in the growth of the services sector has been the strong growth of the information technology ("**IT**") and information technology enabled services ("**ITeS**") sectors. These sectors benefited from the growing international trend towards off-shoring and the resultant demand for skilled, low cost, English speaking workers. Indian competitiveness in this area has been aided by substantial investment in telecommunications and infrastructure and the phased liberalization of the Indian economy.

In addition, FDI has been recognized as one of the important drivers of economic growth in the country. The Government of India has taken a number of steps to encourage and facilitate FDI, and FDI is allowed in many key sectors of the economy, such as manufacturing, services and infrastructure. For many sub-sectors, 100% FDI is allowed on an automatic basis, without prior approval from the Foreign Investment Promotion Board. FDI inflows into India have accelerated since Fiscal 2007 due to regulatory reforms in respect of the real estate sector, better infrastructure and a more vibrant financial sector. From April 2000

through December 2009, FDI inflows in the housing and real estate sector of India amounted to Rs. 4,936.65 billion (US$ 110.761 million). According to the Department of Industrial Policy & Promotion Fact Sheet on Foreign Direct Investment from August 1991 to December 2009, FDI inflows into India were US$ 9.0 billion, US$ 22.8 billion, US$ 34.8 billion and US$ 35.2 billion in Fiscal years 2006, 2007, 2008 and 2009, respectively, and India registered a net capital inflow of US$ 12.5 billion, US$ 7.0 billion, US$ 27.3 billion in Fiscal years 2006, 2007 and 2008, respectively, and a net capital outflow of US$ 13.9 billion in Fiscal year 2009.

The Real Estate Sector in India

The real estate business involves the purchase, development, sale and lease of land, including both residential and non-residential buildings.

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

The above trend has contributed to the development of reliable indicators of value and organized investment in the real estate sector by domestic and international financial institutions and has resulted in a greater availability of financing for real estate developers.

These trends have been reinforced by the substantial growth in the Indian economy, which stimulated demand for land and developed real estate. Demand for residential, commercial and retail real estate increased throughout India up to the first half of 2008, accompanied by increased demand for hotel accommodation and improved infrastructure. Additionally, the tax and other benefits applicable to Special Economic Zones ("**SEZs**") are expected to result in a new source of demand.

The real estate market in India had witnessed significant growth over the past few years, with average residential capital values more than doubling between 2005 and the first half of 2008. However, demand for houses plummeted during the second half of 2008, as the global economic deceleration compelled investors to pull out of the market due to wealth erosion as well as the rising risk of negative returns. Home buyers also put their purchasing plans on hold due to home affordability levels decreasing and job-related uncertainties. Tightening of lending standards by banks and the slowing business environment also led to a liquidity crisis among real estate developers, who were forced to offer discounts in order to attract buyers. Average residential capital values declined by 18-20% in March 2009 from the highs witnessed during the first half of 2008. *(Source: CRISIL Research: City Real(i)ty, 2009)* CRISIL Research expects investors to maintain a cautionary approach until capital values potentially stabilize in 2010.

Cushman & Wakefield Research has considered the demand estimates following the economic crisis which resulted in weakened business sentiments and demand contraction. The pan India cumulative demand during 2009 and 2013 is estimated to be 196 million sq. ft. for office space and 43 million sq. ft. for retail space. While demand in the hospitality segment is likely to be 690,000 rooms per night, and the residential segment is likely to be 7.5 million units for the period under consideration. (*Source: Cushman & Wakefield, Survival to Revival, 2009*)

Key Characteristics of the Real Estate Sector

The Indian real estate sector has traditionally been dominated by a number of small regional or local players with low levels of expertise. The sector has seen limited inflow of institutional capital and has used high net-worth individuals and other informal sources of financing as the major source of funding, leading to low levels of transparency. This is rapidly changing as the sector is experiencing higher growth rates and significantly improved quality expectations as India becomes more integrated with the global economy.

The growth witnessed by the Indian real estate sector is mainly influenced by the high GDP growth of India, increased urbanization, improving demographics, as well as growth across various sectors such as IT/ITeS, retail, consumer durables, automobiles, telecommunications, banking, insurance, tourism, hospitality and logistics.

Some of the key characteristics of the Indian real estate sector are:

- ***Highly fragmented market dominated by regional players*** **–** Rapid growth in the last decade has seen the emergence of larger players that have differentiated themselves through superior execution and branding. Further, these players are now able to capitalize on their "early mover" advantage with higher market share, but remain confined to local or regional markets. While the larger regional players are now initiating efforts to develop a broader geographic presence, their home markets continue to generate the majority of their profitability;

- ***Local know-how is a critical success factor in the development phase*** **–** One of the key reasons for the emergence of local developers is the critical importance of local knowledge and relationships in ensuring successful and timely development of real estate projects. Real estate is a state-governed subject in India and the rules and regulations that affect, among other things, approval processes and transaction costs, vary from state to state;

- ***High transaction costs*** **–** Traditionally, the real estate sector has been burdened with high transaction costs as a result of stamp duty on transfers of title to property, which varies from state to state. Though efforts are being made at the state-level to reduce the stamp duties on transfers of title to property, stamp duty on transfers of title to property continue to burden the real estate sector with high transaction costs; and

- ***Enhanced role of mortgage financing*** **–** Over the last five years, a significant portion of new acquisitions, particularly in the larger cities in India, have been financed through banks and financial institutions. This has been aided by a sharp decline in interest rates and broad availability of financing products, due to aggressive marketing and product development by financial institutions.

Reforms in the Real Estate Sector

In recent years various reforms have been initiated at the National and state-level which have led to greater organization and transparency in the real estate sector. These include:

- support from the Government of India for the repeal of the Urban Land Ceiling Act (introduced in 1976), with nine state Governments having already repealed the Act. The law was repealed by the Central Government in 1999. However, as land is principally subject to state law, the law is still in force in some large Indian states like Andhra Pradesh, Assam, Bihar and West Bengal;

- modifications in the rent control statutes to provide greater protection to homeowners wishing to rent out their properties;
- the rationalization of property taxes in a number of states;
- the proposed conversion of land records into electronic form;
- FDI being permitted in the real estate sector, subject to certain conditions; and
- availability of external commercial borrowings to integrated township developments and SEZs.

Key Segments in Real Estate Industry

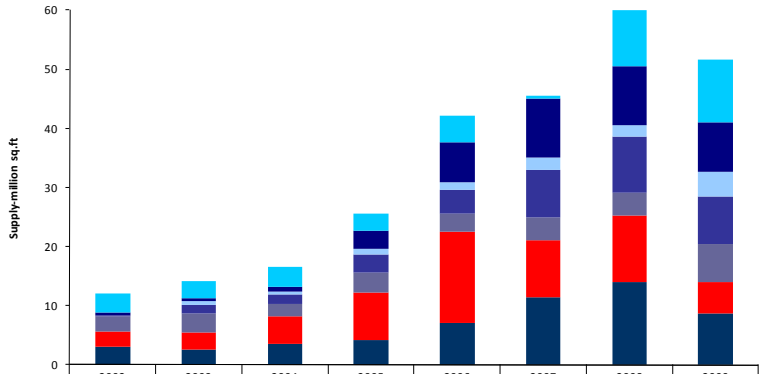
The Commercial Segment

The commercial real estate market in India has evolved in response to a number of changes in the business environment. The IT/ITeS and Business Process Outsourcing sectors have been the principal drivers of commercial real estate demand in the country, with the IT/ITeS sector recording a growth of 18% in Fiscal 2009. (*Source: India Brand Equity Foundation, www.ibef.org*) The large space requirements of the IT/ITeS sector have led to real estate growth spreading beyond the central business district to the suburban and peripheral locations of major cities. Further, a strong domestic economy together with aggressive corporate expansion plans have led to healthy demand from sectors such as banking, financial services and insurance, as well as media and entertainment.

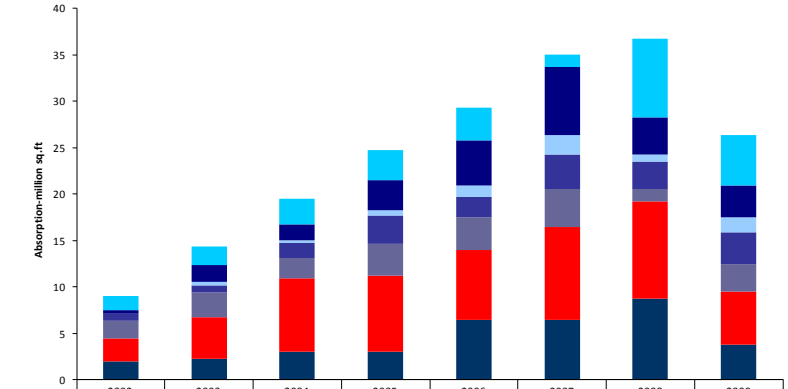
Over the past five years, locations such as Bangalore, Gurgaon, Hyderabad, Chennai, Kolkata and Pune have evolved and have established themselves as emerging business destinations, which are increasingly competing for commercial real estate occupancy with the traditional business destinations of Mumbai and Delhi. The key to the growth of these locations has been the ability of these cities to provide the necessary human resource base with the required skill sets, competitive business environment, operating cost advantages and urban infrastructure.

Commercial real estate demand is essentially driven by the performance of the economy, infrastructure developments and state-level policies to encourage investment. As indicated in the graphs below, the supply of commercial space has shown a steady increase over the last eight years across Mumbai, Chennai, Kolkata, Pune, Hyderabad, Bangalore and the NCR.

The following diagrams illustrate supply and absorption for commercial space across seven major cities in the last eight years:



	2002	2003	2004	2005	2006	2007	2008	2009
Mumbai	3.2	3.0	3.5	3.0	4.5	0.4	9.5	10.6
Chennai	0.4	0.5	0.8	3.0	6.8	10.0	9.9	8.4
Kolkata	0.0	0.6	0.5	1.0	1.3	2.2	2.0	4.1
Pune	0.2	1.4	1.6	3.1	4.0	7.9	9.5	8.1
Hyderabad	2.6	3.2	2.0	3.3	3.0	4.0	3.9	6.4
Bangalore	2.6	3.0	4.8	8.0	15.5	9.5	11.3	5.3
NCR	3.0	2.5	3.5	4.3	7.0	11.5	14.0	8.6



	2002	2003	2004	2005	2006	2007	2008	2009
Mumbai	1.6	2.0	2.8	3.3	3.5	1.4	8.49	5.5
Chennai	0.4	1.8	1.8	3.3	4.9	7.3	4.0	3.4
Kolkata	0.0	0.4	0.3	0.6	1.3	2.1	0.8	1.6
Pune	0.8	0.8	1.6	3.0	2.2	3.8	3.0	3.4
Hyderabad	1.9	2.7	2.2	3.4	3.5	4.0	1.3	2.9
Bangalore	2.5	4.5	7.9	8.3	7.5	10.0	10.5	5.7
NCR	2.0	2.3	3.0	3.0	6.5	6.5	8.8	3.8

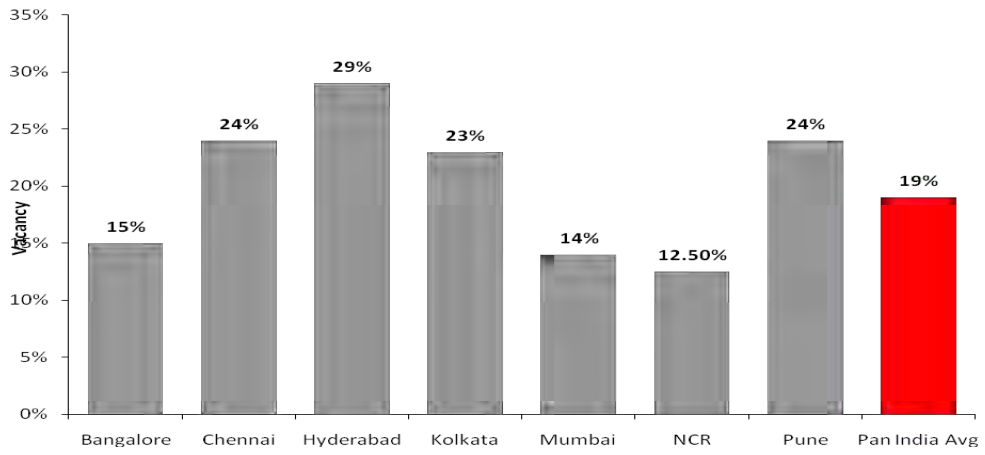
*(Source: Cushman & Wakefield Marketbeat Office Reports for Bangalore, Chennai, Hyderabad, Kolkata, Mumbai, National Capital Region (New Delhi, Gurgaon and Noida) and Pune, 4Q 2009 (together, the "**Cushman & Wakefield Marketbeat Office Reports**"))*

Notes:

Supply: Newly constructed space that is ready for fit outs/occupation.

Absorption: Actual space leased by a tenant in a completed building.

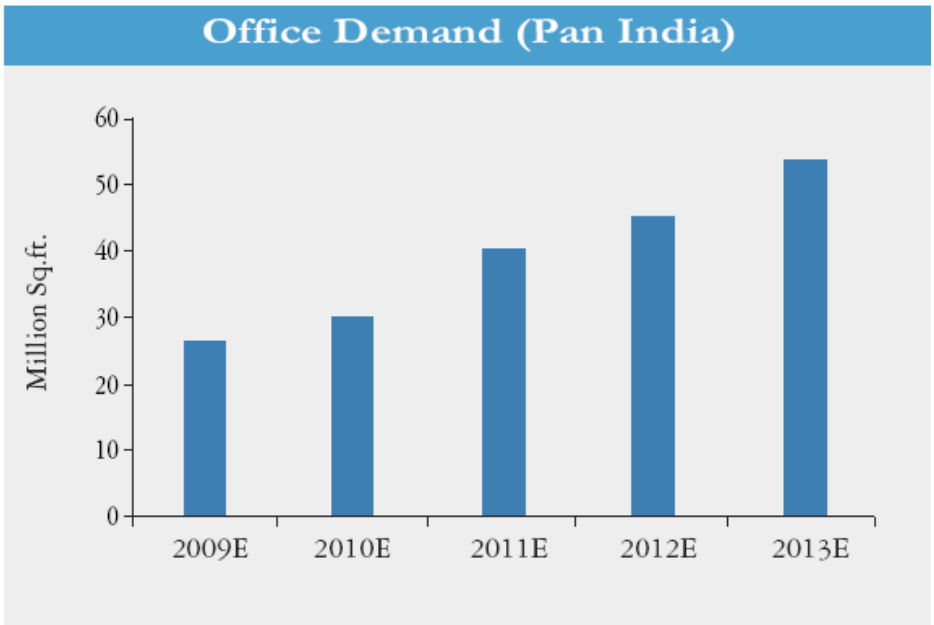
The following graph illustrates the vacancy level across seven major cities during the fourth quarter of 2009:



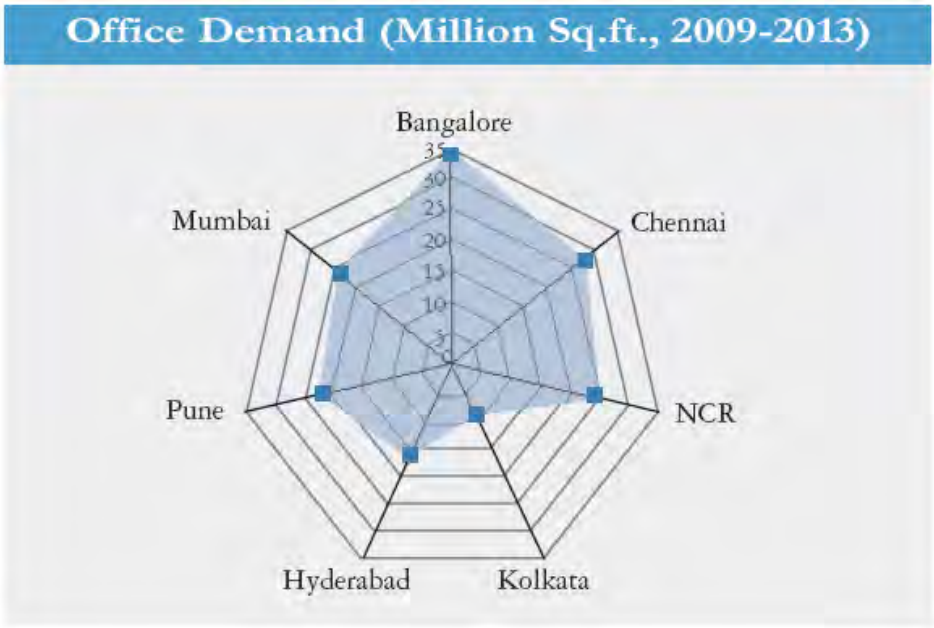
(*Source: Cushman & Wakefield Marketbeat Office Reports*)

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

The following diagrams illustrate the estimated demand for commercial office space across India, and in units, between 2009 and 2013:



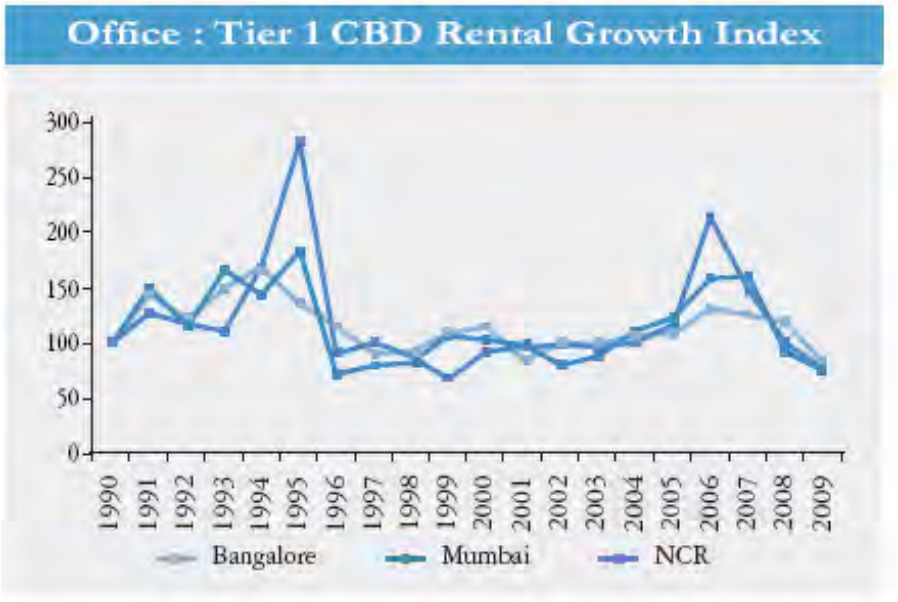
(Source: Cushman & Wakefield, Survival to Revival, 2009)



(Source: Cushman & Wakefield, Survival to Revival, 2009)

Rental demand in 2009 deteriorated due to the slowdown in both the global and domestic economies, with most corporate enterprises looking to cut costs and improve efficiencies. For instance, CRISIL Research expects the IT / ITeS sectors to increase utilization rates of existing commercial space by increasing the number of shifts. *(Source: CRISIL Research: City Real(i)ty, 2009)* The fourth quarter of 2009 showed signs of improving take up with increased pre-commitments from tenants in Bangalore, and its CBD witnessed the highest quarterly absorption recorded in the last two years. (*Source: DTZ Research: Property Times India Offices, Q4 2009*)

The following diagram illustrates the rental growth index for Tier I cities since 1990:



(Source: Cushman & Wakefield, Survival to Revival, 2009)

Over the medium term, further liberalization of the economy is expected to lead to a broader occupier base. The supply of commercial office space is expected to remain concentrated in the suburban areas in the form of IT Parks and integrated campuses. A large supply of commercial space is also expected from SEZs over the next few years. *(Source: India Brand Equity Foundation, www.ibef.org)*

SEZs are specifically delineated duty free enclaves deemed to be foreign territories for the purposes of Indian custom controls, duties and tariffs. There are three main types of SEZs: integrated SEZs, which may consist of a number of industries; services SEZs, which may operate across a range of defined services; and sector specific SEZs, which focus on one particular industry. SEZs, by virtue of their size, are expected to be a significant new source of real estate demand.

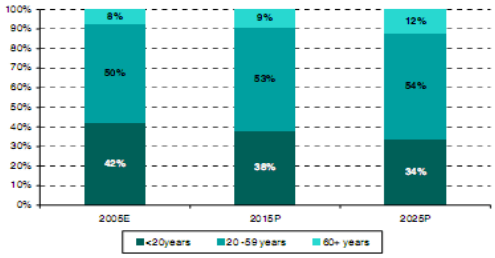
As of March 2010, there were 579 SEZs approved and 335 SEZs notified that covered a total area of 73,731 hectares across India. Exports from SEZs amounted to Rs. 996,890 million in Fiscal 2009 recording a 50% growth from the previous year. (*Source: Ministry of Commerce and Industry - Department of Commerce*)

The majority of investments in SEZs are expected to come from the private sector.

The Residential Segment

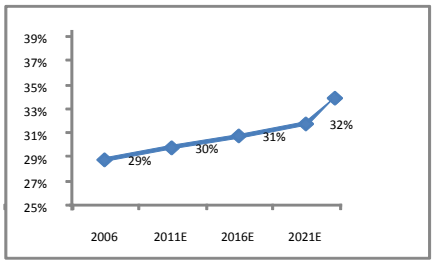
The residential real estate market in India is expected to grow at a CAGR of between 18% and 19% in 2010. (*Source: India Brand Equity Foundation, www.ibef.org*) This potential growth is expected to be largely driven by increased urbanization (see diagram below) and nuclearization, rising disposable incomes, a rapidly growing middle class and youth population (see diagram below), low interest rates, fiscal incentives on both interest and principal payments for housing loans and heightened customer expectations. *(Source: India Brand Equity Foundation, www.ibef.org)*

Population age demographic



Source: CRISIL Research: City Real(i)ty, 2009

Increasing urbanization

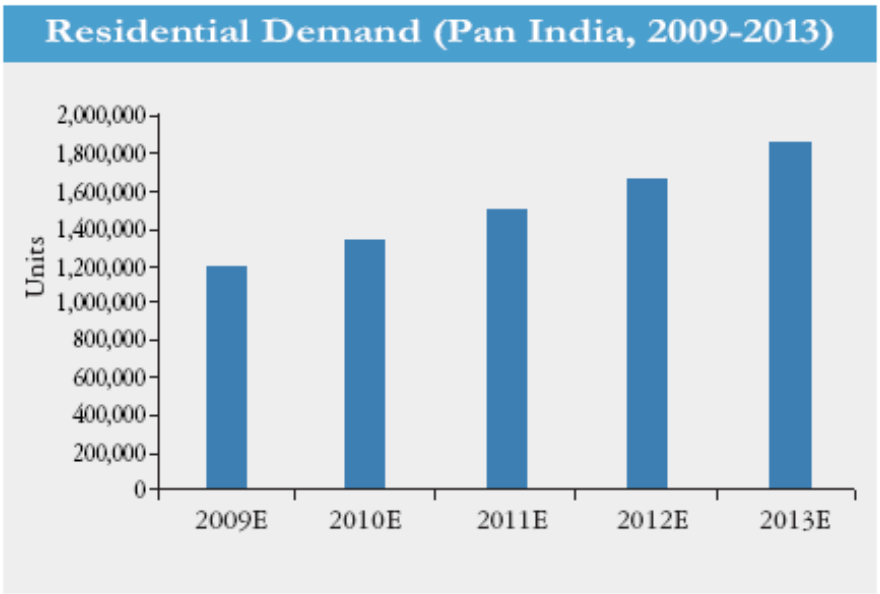


Source: Govt. Of India (Census 2000)

We believe a large proportion of the demand for residential developments, especially in urban centers such as Mumbai, Bangalore, Delhi (Gurgaon and Noida) and Pune, is likely to be for high-rise residential buildings. Since this is a fairly new segment, we expect the growth of the high-rise segment to be faster than the growth of more traditional urban housing segments.

The pan India residential demand is estimated to be over 7.5 million units by 2013 across all categories including Economically Weaker Sections (EWS), affordable, mid and luxury segments. The residential demand in the top seven cities is estimated to be 4.5 million units by 2013. Of the total expected demand across India, 43% is likely to be generated in Tier 1 cities, i.e. Bangalore, Mumbai and NCR. Mumbai is likely to witness the highest cumulative demand of 1.6 million units by 2013 due to various development projects and increasing urbanization in the city. Hyderabad and Bangalore are likely to have the highest compounded annual growth of 14% in the next five years. The affordable and mid segment category, likely to constitute 85% of the total residential demand, will be the primary focus of most developers. *(Source: Cushman & Wakefield, Survival to Revival, 2009)*

The following diagrams illustrate the estimated demand for residential developments across India, and in units, for the years 2009 – 2013:



(Source: Cushman & Wakefield, Survival to Revival, 2009)

(Source: Cushman & Wakefield, Survival to Revival, 2009)

Cushman & Wakefield Research evaluated the investment potential within the residential market for a mid- to long-term horizon. Cushman & Wakefield Research has identified key micro-markets which upon evaluation against others, demonstrates stronger fundamentals, making them viable investment opportunities. The following diagram illustrates the capital value growth index for residential developments in key micro-markets across India:

(Source: Cushman & Wakefield, Survival to Revival, 2009)

Conditions in the residential segment improved in the fourth quarter of 2009. According to Cushman & Wakefield Research, Bangalore's residential property market largely stabilized in the last quarter of 2009, with very few project launches. In addition to posting reviving sale volumes over the last quarter, the fourth quarter of 2009 also witnessed a gradual recovery as compared to the city's housing absorption trends in the fourth quarter of 2008. Meanwhile, the lack of any major launches in the quarter saw the level of vacant residential stock falling compared to the same period last year, indicating a move towards balancing out the city's supply/ demand equation. Such an absorption trend continued to support the city's current pricings, stabilizing values. Demand was largely driven by affordable housing projects with lower pricing and smaller sizes. (*Source: Cushman & Wakefield, Marketbeat Bangalore Residential Report, Q4 2009*)

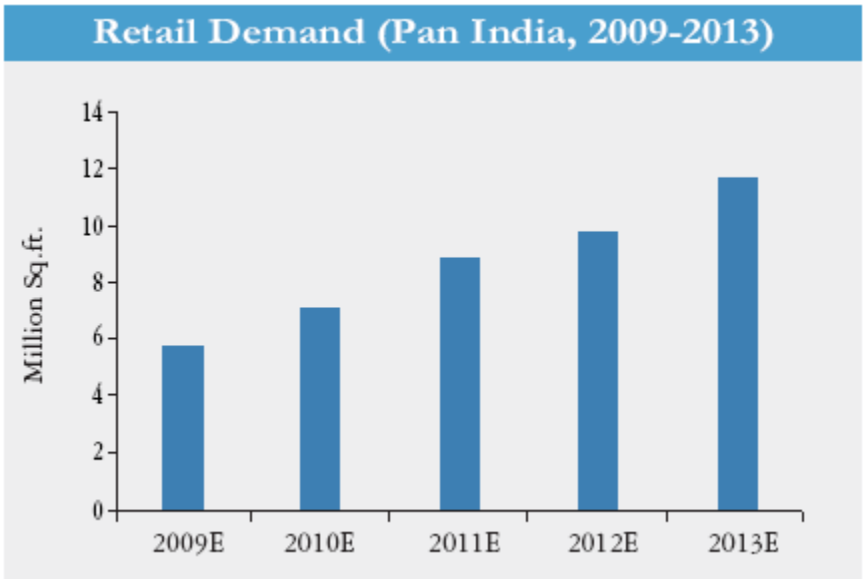
Knight Frank Research attributed the reduced acquisition of residential units to the economic downturn which resulted in an oversupply of housing units. As a result, the middle income segment is considered to represent the strongest demand in the city. To cater to this potential demand, developers are now trying to promote existing and upcoming high-end projects as affordable housing options to the middle income segment. (*Source: Knight Frank Research, Q2 2009, Affordable Housing*)

Retail Segment

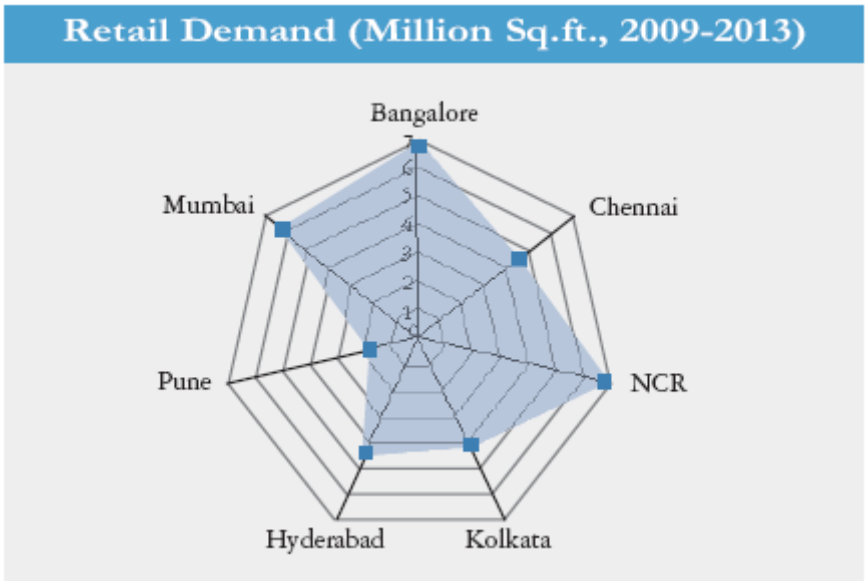
We believe the increase in disposable incomes, demographic changes (such as the increasing number of working women, the rising number of nuclear families and higher income levels within the urban population), the change in the perception of branded products, the growth in retail malls, the entry of international players and the availability of relatively cheaper finance will drive the growth in "organized retail" (which refers to retail operations undertaken by licensed retail outlets such as chain stores and large retail outlets, as opposed to "unorganized retail", which refers to more traditional forms of retailing such as *kirana, paan / beedi* shops and informal outlets prevalent in market places, and owner-operated general stores and convenience stores). The demand drivers for retail space in a city typically include demographics, such as resident consumer age profile, dominant consumer occupation and spending capacity, in addition to macro-policy decisions, such as allowing FDI in single brand retailing and cash-and-carry formats.

According to Cushman & Wakefield Research, the cumulative retail demand across India is estimated to be 43 million sq. ft. by 2013 of which, demand in the top seven cities is estimated to be approximately 34.6 million sq. ft. Demand is expected to be concentrated in the Tier 1 cities, constituting nearly 46% of the total estimated pan India demand during the period under consideration. Pune is likely to record the highest compounded annual growth of 51% due to current limited stock of operational malls and favorable demographic profile which cites potential for the growth of organized retail segment within the city. Bangalore, Mumbai and NCR are all expected to see the highest demand, together comprising approximately 20 million sq. ft. The anticipated increase in the share of organized retail space is expected to grow from 5% to 15.5% by 2016, according to the Investment Commission of India, highlighting the potential for retailers to expand pan India. *(Source: Cushman & Wakefield, Survival to Revival, 2009)*

The following diagrams illustrate the estimated demand for retail space across India between 2009 and 2013:

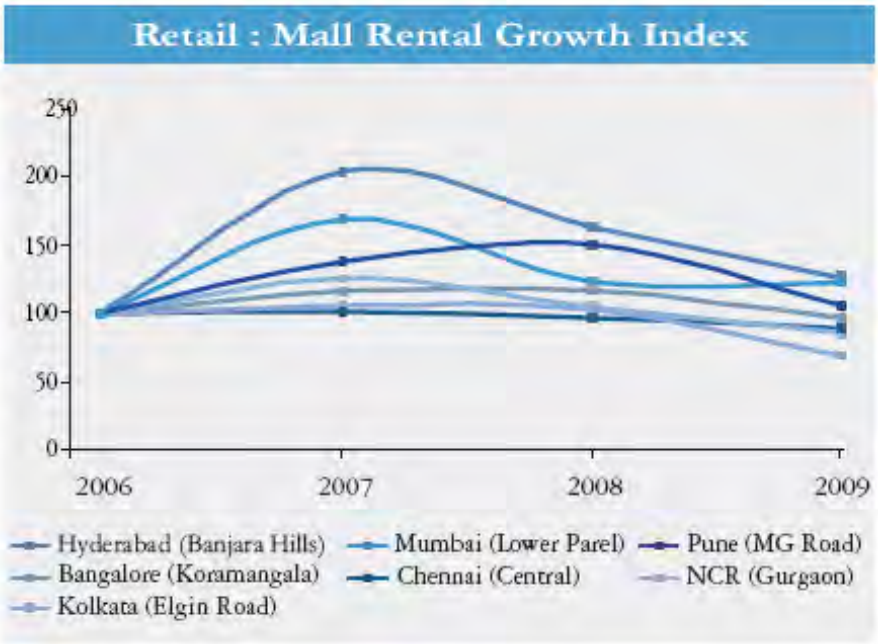


(Source: Cushman & Wakefield, Survival to Revival, 2009)



(Source: Cushman & Wakefield, Survival to Revival, 2009)

The following diagram illustrates the mall rental growth index for Tier I cities over the past three years



(Source: Cushman & Wakefield, Survival to Revival, 2009)

Meanwhile, several policy initiatives (such as 51% FDI in single brand retailing) and the on-going policy debate to allow 100% FDI in organized retailing (in both single and multiple brands) also hold promise for the Indian retail industry. The organized retail sector can attain a higher annual growth rate and is expected to contribute 5.6% of total sales by 2010. Several national and international corporates have either made a foray into the retail segment or have firm plans to enter the retail segment. *(Source: India Brand Equity Foundation, www.ibef.org)*

In the last quarter of 2009, Bangalore witnessed approximately 0.16 million sq. ft of mall space that became operational in the peripheral zone. By the end of 2009 , the city had witnessed total new mall supply of 0.5 million sq. ft – which was approximately 22% of the supply anticipated in the city at the beginning of the year. An apparent softening in brand/retailer demand, coupled with the credit crunch faced by most developers in early 2009, caused significant set-backs in mall supply. Mall rentals witnessed stability by the fourth quarter of 2009, which is likely to continue in the coming months. (*Source: Cushman & Wakefield, Marketbeat Bangalore Retail Report, 4Q 2009*)

The city anticipates fresh mall supply of approximately 0.9 million sq. ft. by the first quarter of 2010, spread across the suburban and peripheral micro markets. Realistically, supply for the year 2010 is likely to remain similar to 2009, with cautious retailer demand for the next couple of quarters at least. Retail rental values across the city's malls and main streets are likely to continue with the stable trend in the mid-term due to gradually improving market sentiments; and are unlikely to rise in the immediate future. (*Source: Cushman & Wakefield, Marketbeat Bangalore Retail Report, 4Q 2009*)

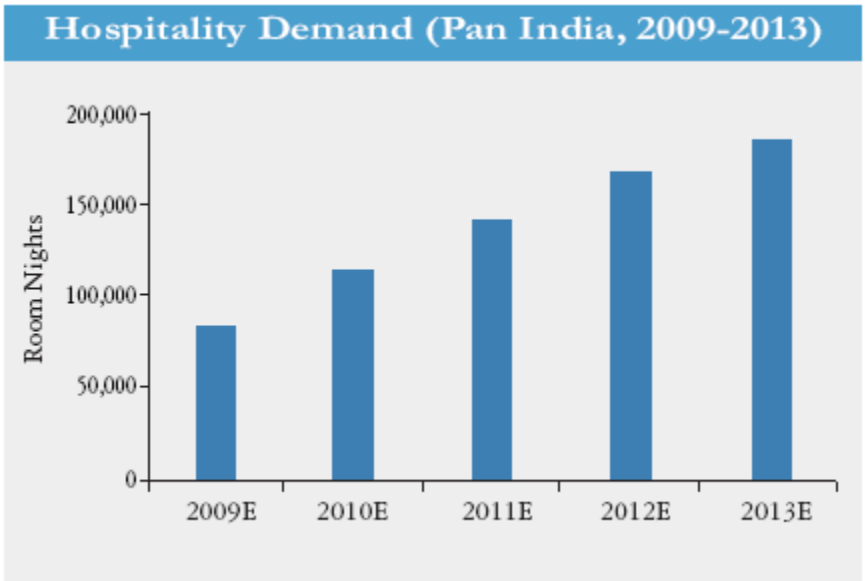
The Hospitality Segment

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 a 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 and opportunity for real estate development.

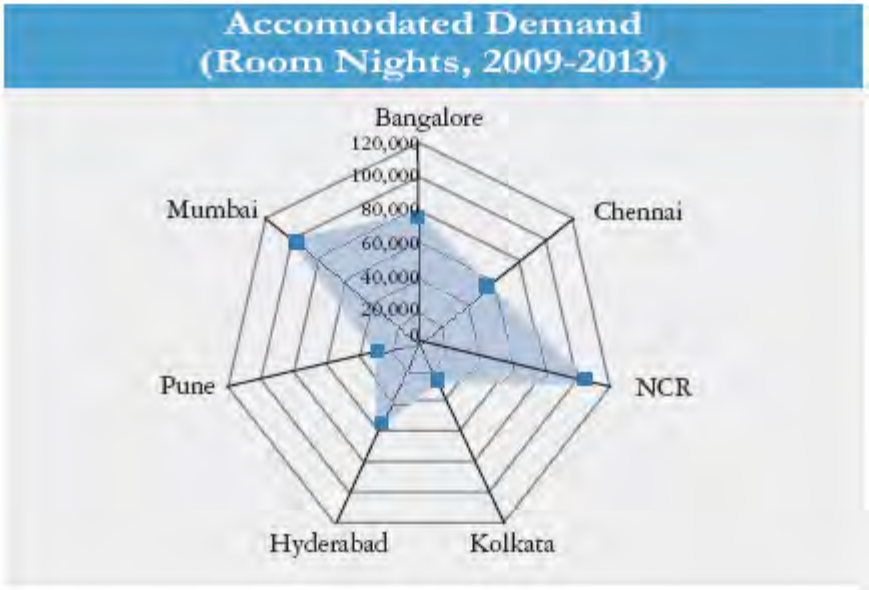
According to the *Travel and Tourism Competitiveness Report 2009* by the World Economic Forum, the contribution of travel and tourism to GDP is expected to increase from 9.4% (US$ 5,474 billion) in 2009 to 9.5% (US$ 10,748 billion) by 2019 and the real GDP growth for the travel and tourism sector is expected to be -3.5% in 2009, down from 1.0% in 2008, but to average 4.0% per annum over the next ten years.

The pan India demand accommodated for the hospitality sector is estimated to be over 690,000 room-nights by 2013. Tier 1 cities are likely to drive demand in the hospitality segment led by NCR, which is estimated to constitute 15% of the total demand by 2013, followed closely by Mumbai at 14%. The upcoming Commonwealth Games in 2010 is one of the main demand drivers of room nights in the NCR. Bangalore, however, is expected to register the highest compounded annual growth of about 26% in demand, followed by NCR at 24% and Pune at 23%. *(Source: Cushman & Wakefield, Survival to Revival, 2009)*

The following diagrams illustrate the estimated demand for room nights across India, and in the seven major cities, between 2009 and 2013:



(Source: Cushman & Wakefield, Survival to Revival, 2009)



(Source: Cushman & Wakefield, Survival to Revival, 2009)

Tier II cities and Tier III cities are also likely to generate demand for approximately 242,000 room nights by 2013 owing to various initiatives taken by the Indian government to promote commercial and tourism activity in those locations. *(Source: Cushman & Wakefield, Survival to Revival, 2009)*

As per the World Travel and Tourism Council ("**WTTC**"), India's travel and tourism industry is estimated to grow from $91.74 billion in 2009 to $153.41 billion in 2013. *(Source: www.wttc.org)*

Challenges Facing the Indian Real Estate Sector

Lack of national reach of existing players

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

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

Fragmented land holding

Land ownership in India is usually fragmented between multiple owners and therefore there is a low availability of large contiguous land parcels with a single owner. This leads to reduced availability of land with clear title.

Majority of market belonging to unorganized segment

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

Legal and regulatory issues

The legal and regulatory framework in India for land acquisition is complex, and inconsistent and overlapping state and national government laws lead to further complications and delays.

Demand dependent on many factors

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

Increasing raw material prices

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

Interest rates

One of the main drivers of the growth in demand for housing units is the availability of finance for consumers and real estate developers at low rates of interest. Interest rates increased between 2004 and 2008, however, key interest rates were reduced over the last year causing a lowering of interest rates by banks, increased borrowers and improvement in the real estate market. Any increase in the interest rate at which real estate customers borrow funds may affect the affordability and purchasing power of customers, and hence customers demand for real estate developments.

Tax incentives

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

The existing tax incentives available for housing loans are one of the major factors influencing demand. However, withdrawal of these incentives may affect the demand for real estate developments. The Government has recently redefined the applicability of service tax to construction of houses and commercial complexes to include the case where part payment is made by buyer before completion of the property. Henceforth, all residential and commercial properties sold before the construction is completed, will attract service tax. The Government has also declared the activity of ‘renting’ itself as a service

deemed to be taxable at service tax. There are still a few things in this regulation which are ambiguous and need further clarity. However, this tax can potentially increase the real estate costs. (*Source: www.indiabudget.nic.in)*

The IT/ITeS sector

After over a decade of approximately 30% compounded annual growth, the IT/ITEs industry slowed. In 2009, the IT/ITeS industry witnessed a downturn globally and in India as a result of the global economic recession. The slowdown has forced many providers to consolidate their operations by focusing on productivity, efficiency and optimal utilization of resources. (*Source: Pricewaterhousecoopers, Indian IT/ITeS Industry, Evolving Business Models for Sustained Growth*)

The Bangalore Real Estate Market

Bangalore is the capital city of the state of Karnataka in south India, and is India's third most populous city and the fifth most populous urban area. Its current population is estimated to be approximately 6.1 million people. The Bangalore Metropolitan Area ("**BMA**") is an urban area covering approximately 439 square kilometers, with a green belt of approximately 839 square kilometers. In January 2007, the Government of Karnataka issued a notification to merge the areas under the existing Bangalore Mahanagara Palike with seven city municipal council, one town municipal council and 111 villages around the city to form a single administrative body. The process was completed by April 2007 and the body was renamed Bruhat Bengaluru Mahanagara Palike.

The following table sets out basic facts about the BMA:

Basic facts

Particulars	Details
Population (2001)	6.1 million
Area (2001)	1,307 sq. kms
Population density	4,667 persons per sq. km
Literacy rates (2001)	87.0%
Length of metro line (proposed)	33 kms
Floor space index (residential)	1.75-3.25
Floor space index (commercial)	1.5-3.25
Stamp duty on property cost	6.7% + Registration fee of 1%

(Source: CRISIL Research: City Real(i)ty, 2009)

Area and population

Bangalore spreads out in all directions and along all major roads in the absence of natural boundaries. Major roads such as Mysore Road, Old Madras Road, Bellary Road, Hosur Road and Tumkur Road are the axes of a radial road system which converges on the city centre. Five other secondary roads, Magadi Road, Kanakpura Road, Bannerghatta Road, Varthur Road and Whitefield Road also form part of this system. Commercial and industrial development occurs along all of these major roads, with residential and retail development taking place in the intermediate areas.

Areas such as Whitefield (in the north east), Hosur Road (in the south east) and Electronic City (south) are highly urbanized. The rapid pace of urbanization in the these areas is driven by the following industrial factors:

- the services sector in the south and east;
- the Peenya Industrial Estate in the west; and
- Bengaluru International Airport in the north.

This is evidenced by the population density of CMC KR Puram, located in the vicinity of Whitefield, which is 9,342 people per square kilometer, and is the highest population density amongst all seven CMCs. Furthermore, and owing to the high rates of land utilization, the population density of the BMP at 19,023 people per square kilometer is higher compared to the average population density at CMC level, at 4,667 people per square kilometer.

According to the census conducted in 2001, the population of the non-BMP areas had risen at a CAGR of 8.5% between 1991 and 2001, compared to the CAGR of 4.1% for the entire city. *(Source: CRISIL Research: City Real(i)ty, 2009)*

Industries in the BMA

Bangalore is the sixth largest city in India, with numerous public sector industries, software companies, aerospace companies, textile industries and IT / ITeS and biotechnology companies based in the city. Various public sector manufacturing companies are headquartered in Bangalore, including Hindustan Aeronautics Ltd, National Aerospace Laboratories, Bharat Heavy Electricals Ltd, Bharat Electronics Ltd, Bharat Earth Movers Ltd and Hindustan Machine Tools Ltd. In addition, the Indian Space Research Organisation which was established in 1969 and brought under the Department of Space in June 1972 is headquartered in Bangalore.

CRISIL Research has concluded that the creation of employment has led to a significant increase in the migrant population of Bangalore.

Known as the "Silicon Valley" of India, Bangalore's IT / ITeS industry makes a prominent contribution to the Indian economy. The IT / ITeS industry in Bangalore is found in three main clusters, namely –

- Software Technology Parks of India;
- International Technology Park, Bangalore; and
- Electronic City (where Infosys and Wipro are based, together with many global SEI-CMM Level-5 companies).

Another sector which is exhibiting rapid growth in Bangalore is biotechnology, with Biocon (according to CRISIL Research, India's leading biotechnology company) based in Bangalore.

Aside from the IT / ITeS and biotechnology industries, Bangalore also houses many other small-scale industries. Karnataka State's Industrial Policy (2006-2011), has focused on strengthening the manufacturing sector, increasing national exports from Karnataka and promoting a diversified industrial base in Karnataka, and specifically in Bangalore.

As such, CRISIL Research views the huge concentration of small and medium enterprises in diversified sectors across the city as being an important feature of economic activity in Bangalore. Wholesale and retail activities (such as silk, garment and jewelry manufacturing) are mainly conducted in areas such as Chickpet, Cubbonpet, Binnypet, Cottonpet and Srirampur in the north west of the city. The main commercial hub for banks, corporate head offices and hotels is the area around MG Road, in the city centre. The industrial profile of the BMA is dominated by basic metal and alloy industries, metal products and parts, machinery and machine tools, rubber and plastic industries, jute textiles, cotton textiles and leather and leather products. *(Source: CRISIL Research: City Real(i)ty, 2009)*

Infrastructure

Planned and ongoing infrastructure development is also growing in the BMA, alongside the population and industrial growth trends discussed above. Some examples of ongoing infrastructure development are as follows:–

- *Metro rail project*: the first phase of the Bangalore Metro, consisting of two corridors of electrified double lines, will be 33 km long (an east-west corridor of 18.10 km, and a north-south corridor of 14.90 km). Of the 33 km, 6.76 km will be underground. There will be 32 stations in Phase I, with more to be added in Phase II. The corridors are expected to provide proper interchange facilities for areas such as Old Madras Road, CMH Road, Ulsoor Road, MG Road, Magadi Road, KR Road, Lalbagh and Jayangar. In addition, a Commuter Railway System has been proposed, which would integrate the Metro mass rapid transit system with the existing commuter railway system. The first phase of the project is expected to be completed by the end of 2011. (*Source:* www.bmrc.co.in)

- *New international airport*: the new Bengaluru International Airport commenced operations on May 23, 2008, and is expected to serve approximately 11.4 million passengers per annum, as compared to the five million passengers per annum that the former airport at Indirangar did. CRISL Research indicates that it is already the fourth busiest airport in India. Ongoing improvements include planning for a high-speed rail link between the city and the airport, as well as additional flyovers, elevated roads and bridges at intersections and bottlenecks in the road infrastructure (the NH7).

- *Road transportation:* CRISIL Research indicates that road traffic in Bangalore has increased by 600% in the last 25 years. As such, and in order to manage this increase in road traffic, the BMP proposes to develop and upgrade the existing road transportation infrastructure, including an elevated core ring road of 29.5 km, an outer ring road of 62 km, an intermediate ring road of 188 km, a peripheral ring road of 114 km and a satellite township ring road connecting the outlying areas of Bangalore.

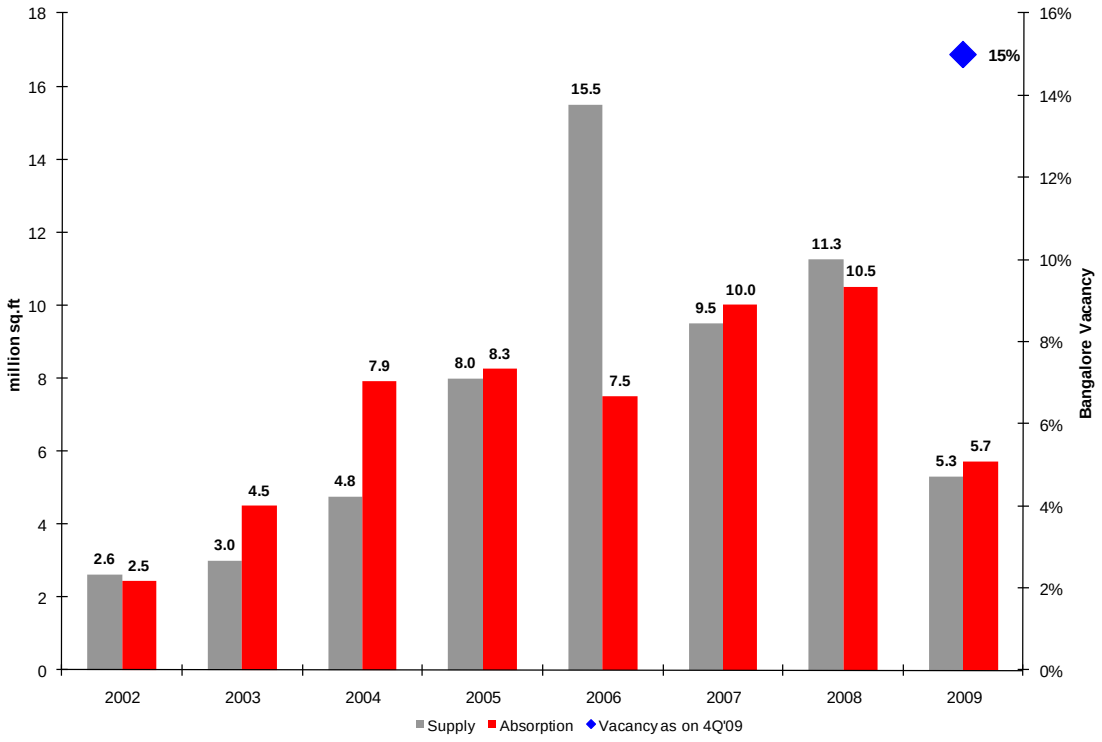
- *Water supply and sanitation*: The Bangalore Water Supply and Sewage Board ("BWSSB"), initially only responsible for the BMP area, has now assumed responsibility for water and sanitation for the entire BMA area. The BWSSB is planning projects to upgrade access and quality of water supply and sanitation services in the BMA area.

(Source: CRISIL Research: City Real(i)ty, 2009)

Overview of Bangalore

Approximately 6.5 million sq. ft. of commercial space was available for development in Bangalore during the first quarter of 2010. According to Colliers International more than 80% of this space was designated as IT/ITeS space. (*Source: Colliers International Property Market Overview, Quarterly Update, April 2010*)

The following graph illustrates supply and absorption in Bangalore between 2002 and 2009:



(*Source: Cushman & Wakefield Marketbeat Office Reports*)

Analaysis of the Key Micro-Markets in Bangalore

*Outer Ring Road ("**ORR**") – Sarjapur Road Junction to KR Puram Junction*

The ORR stretch from the Sarjapur Road Junction to the KR Puram Junction is an established commercial destination with key IT/ITeS companies such as IBM, Intel, Accenture and Cisco, and has witnessed significant growth in the last three to four years. *(Source: Cushman & Wakefield, Survival to Revival, 2009)*

Rentals in this micro-market have increased by approximately 37% between 2006 and 2008. There have not been significant changes in rentals across micro-markets in the first quarter of 2010. Currently rentals in the ORR are approximately Rs. 42 per sq. ft. per month. (*Source: Cushman & Wakefield, Marketbeat, Bangalore Office Report, 1Q 2010*)

Whitefield

A consortium between the Karnataka Industrial Areas Development Board and Ascendas Pte. Ltd.(a leading real estate developer based in Singapore) has developed the International Technology Park Limited ("**ITPL**"), a leading technology park in Bangalore. IT companies in the area include GE Global Research, Accenture and SAP Labs India.

North and North East Bangalore: Hebbal to Yelahanka Junction and Devanhalli

Locations in North and North East Bangalore (Hebbal, Yelahanka, Sahakarnagar, Jakkur, Coffee Board Layout, HRBR and HBR Layout, Banaswadi, Off Kempapura Road, Amruthahalli, Hennur Road, Thanisandra Road) are considered to be favorable investment options in the mid-term. Key attractions of the location include good connectivity, improved social infrastructure, proximity to destinations such as the ORR (Hebbal-Sarjapur) and equidistant from the CBD or off CBD micro markets. Many prominent developers have their land banks in the ORR-Hebbal Sarjapur stretch and approximately eight to ten million sq. ft. of commercial office space has been planned for the next three to five years. *(Source: Cushman & Wakefield, Survival to Revival, 2009)*

In the hospitality segment, Whitefield, the off CBD locations and the North Bangalore stretch are likely to witness the majority of the upcoming supply. *(Source: Cushman & Wakefield, The Voyage -An exploration of key hospitality markets in India, January 2009)*

In addition to the close proximity to educational institutions and hospitals in the area, approximately 1.5 million sq. ft. of retail space is planned in this micro-market over the next three to five years. *(Source: Cushman & Wakefield, Survival to Revival, 2009)*

The development of major commercial projects, such as the *Devanhalli Business Park* and the *Hardware Park*, is an example of increased development and economic activity in this region. Additionally, the Government of Karnataka has identified 40 square kilometers of land in North Bangalore as an Information Technology Investment Region ("**ITIR**"). The ITIR is intended to attract investments in the IT /ITeS sector, as well as in the electronic, manufacturing, hardware sectors, and will include SEZs, industrial parks, export-orientated units and warehousing zones. Over time, the Government of Karnataka hopes to attract up to US$20 billion in investments to develop the ITIR. The ITIR is also intended to include production units, public utilities, logistics, environmental protection mechanisms, residential areas and other administrative services. (*Source: www.bangaloreitbt.in/itir*) The Karnataka State Electronics Development Corporation has recently issued an expression of interest in the ITIR, which we believe will result in both economic growth in the ITIR. (*Source: www.keonics.com/ITIR*) In addition to economic growth, the Government of Karnataka expects the ITIR to witness significant employment growth. (*Source: www.bangaloreitbt.in/itir*)

Overview of Chennai

All micro markets in Chennai witnessed a correction in double digit figures in their rental values with the exception of Guindy, which saw marginal correction of 6%. The central business district recorded the highest correction of 29% over the year 2009 largely due to a high vacancy level of 24%. Low demand conditions pushed developers to defer their construction plans and thus reduce the expected supply estimates by nearly 50% (from the initial estimates for 2009) to approximately 8.4 million sq. ft. The city also witnessed low absorption of 3.4 million sq. ft. for the year and the demand was 3.7 million sq. ft. with minimal pre-commitment. Approximately 6.7 million sq. ft. of commercial office is expected to come into supply during 2010, of which STPI supply is likely to be 4.6 million sq. ft., while SEZ and corporate office space is likely to be 1.1 million sq. ft. and 1.0 million sq. ft., respectively. (*Source: Cushman & Wakefield, Outlook 2010, India Real Estate Review*)

The city witnessed an addition of 0.35 million sq. ft. of mall stock in the form of a single mall (*Ampa Mall*). Vacancy levels in the city were estimated to be approximately 1% (same as previous year), as 70% of the anticipated supply for 2009 was deferred. Approximately 1.02 million sq. ft. of fresh mall supply is

expected to be added during 2010. (*Source: Cushman & Wakefield, Outlook 2010, India Real Estate Review*)

There will be significant increase and interest shown towards launch of projects within the affordable housing segment. (*Source: Cushman & Wakefield, Outlook 2010, India Real Estate Review*)

Overview of Coimbatore

The commercial sector in Coimbatore is primarily driven by the IT/ITeS, banking, textile and auto-ancillary industries. The Peripheral Business District (PBD) is regarded to be an emerging hub of Coimbatore with approximately 91% of the total space being IT space. This area has seven IT SEXs either proposed or under various stages of construction to be operational by 2013. The PBD constitutes 100% of the total IT SEZ supply in Coimbatore, with 4.0 million sq. ft. of IT SEZ space likely to be operational by 2010.

In the retail sector approximately 1.0 million sq. ft. of space is likely to be developed by 2011. Meanwhile demand in the residential market is driven by the growth of the IT/ITeS and other domestic industries. The residential market in Coimbatore is likely to witness a future supply of approximately 3,300 units by the end of 2010. (*Source: Jones Lang Lasalle Meghraj, Coimbatore – An emerging real estate destination*)

Overview of Pune

The Rajiv Gandhi Infotech Park, Hinjewadi, was a development by the Maharashtra Industrial Corporation. There are currently three phases within this development that are operational. There are two SEZs which are operational in Hinjewadi, with a third that has begun leasing commercial space since May 2010.

Pune witnessed a fresh commercial space supply of approximately 791,000 sq. ft. if the first quarter of 2010. The entire supply for this quarter catered to the IT/ITeS sector. (*Source: Cushman & Wakefield, Marketbeat, Pune Office Report, 1Q 2010*)

Residential developments have increased due to the presence of the SEZs and are likely to increase due to the increased commercial presence in the area.

The Pune residential market witnessed moderate purchasing activity resulting in strengthening of capital values across most micro-markets in the first quarter of 2010.

The city also saw the launch of various housing projects over the quarter. Pune is expected to witness an increase in the number of new project launches particularly in the suburban and peripheral locations catering mainly to the mid-segment demand. (*Source: Cushman & Wakefield, Marketbeat, Pune Residential Report, 1Q 2010*)

Overview of Malaysia

Malaysia has a population of approximately 28.3 million and covers an area of approximately 330,252 square kilometers, consisting of states in Peninsular Malaysia, namely Perlis, Kedah, Pulau Pinang, Perak, Selangor, Negeri Sembilan, Melaka, Johor, Pahang, Terengganu, Kelantan and the Federal Territories of Kuala Lumpur and Putrajaya; Sabah and Sarawak on the island of Borneo and the Federal Territory of Labuan off Sabah. In 2008, Malaysia's gross domestic product was RM 738,677 million (Rs. 10,133.67 million). (*Source: Department of Statistics Malaysia*) in the fourth quarter of 2009, the Malaysian economy grew by 4.5% year-on-year compared to a decline of 1.2% in the third quarter of 2009. According

to DTZ Research, the economy has continued to improve during the first three months of 2010. The overall occupancy rate of commercial space in Kuala Lumpur increased slightly from 87.0% in the fourth quarter of 2009 to 87.2% in the first quarter of 2010. (*Source: DTZ Research, Property Times Kuala Lumpur Q1 2010*) Commercial space rent fell from RM6.08 per sq. ft. per month if the fourth quarter of 2009 to RM6.02 per sq. ft. per month in the first quarter of 2010. (*Source: DTZ Research, Property Times Kuala Lumpur Q1 2010*) DTZ Research estimates that approximately 14.90 million sq. ft. of commercial space will be developed between 2010 and 2014, the majority of which is likely to be completed in 2012. Meanwhile, occupancy and rental rates in the retail market have remained stable. DTZ Research estimates that approximately 5.75 million sq. ft. of new retail space is expected to be developed in Kuala Lumpur and the Klang Valley between 2010 and 2013. Of this, approximately 3.0 million sq. ft., or 57%, is likely to be completed in 2010. (*Source: DTZ Research, Property Times Kuala Lumpur Q1 2010*) According to DTZ Research, demand for residential properties has remained strong in the first quarter of 2010. (*Source: DTZ Research, Property Times Kuala Lumpur Q1 2010*)

Overview of Serbia

The following summary has been sourced entirely from Colliers International Real Estate Review, Serbia 2010.

The following table sets forth certain macroeconomic indicators for Serbia for the periods indicated.

Macroeconomic indicators	2007	2008	2009	2010F
Nominal GDP (EUR bn)	29.5	34.0	33.5	31.8
GDP (y-o-y %)	6.9	5.5	-2.9	-0.5
GDP per capita (EUR).....	4.002	4.624	4.230	4.310
CPI (avg y-o-y %)	6.5	11.7	8.3	6.3
Exchange Rate (EUR y-o-y).....	78.80	89.80	96.20	100.00
Current Account (% GDP)	-9.5%	-11.7%	-2.6%	-0.5%
FDI (EUR bn).....	1.8	1.8	1.1	1.1

During the second half 2009, the Serbian economy continued to exhibit signs of decreased activity in all segments of the economy. In 2009, Serbia's GDP decreased by an estimated 2.9 percent. The biggest slowdown was recorded in the construction sector (19.9%), as well as the manufacturing and food processing industry (15%). However, positive growth rates were recorded in sectors of financial intermediation, telecommunication and transport.

Inflation remained at a moderate year over year average rate of 8.3%, as average salaries contracted by 0.1% in real terms. In October 2009, total retail inflation (CPI) in Serbia increased by 1.5% compared to the previous month. However, over 2009, CPI recorded a decrease of 15%. The unemployment rate in Serbia increased by 2.6 percent compared to 2008, amounting to an estimated unemployment rate of 16.6 percent as of December 31, 2009.

In 2009, the total foreign direct investment inflow reached an estimated EUR 1.1 billion compared to a total of EUR 1.8 billion in 2008.

The Serbian economy is expected to remain stable during 2010, with the foreign investments inflows at satisfactory levels and national currency levels under control. Serbia's GDP is expected to decrease by 0.5 percent in 2010.

While the value of construction works may increase due to government activities in infrastructural improvements, actual construction activity will remain at similar levels as recorded in 2009.

At the end of 2009, Serbia officially applied for membership to the European Union. The Government of Serbia expects to accede to the EU in the next five to seven years. (*Source: www.upi.com*)

OUR BUSINESS

OVERVIEW

We are a leading real estate development company in India. We, together with our Promoters, have 25 years of experience in real estate development, having developed an aggregate of 24.54 million sq. ft. of Developable Area in the commercial, residential and retail segments of the real estate market. A substantial portion of our rental space is leased by customers in the IT/ITeS sector. Our projects are primarily based in Bangalore, and we have a growing presence in southern and western India, as well as a presence in overseas locations such as Malaysia and Serbia.

Our Company commenced operations in the real estate sector in 1993 under the name of Virwani Builders. In 2001 we commenced operations independently when Dynasty Developers Private Limited was merged with our Company. For further details, see the section titled *"History and Corporate Structure"* on page 202. Whilst our traditional geographic focus has been Bangalore, we commenced operations in Pune in 2004, Chennai in 2006, and Coimbatore in 2007. We commenced international operations in Malaysia in 2006 and Serbia in 2007.

Our portfolio of real estate developments spans the commercial, residential, retail and hospitality segments of the real estate industry. Our commercial real estate business includes the development of business parks for the IT/ITeS sector, SEZs and corporate office space. The majority of the Completed Projects in our commercial portfolio are built-to-suit and fit-out developments undertaken for specific clients. Going forward, we intend to undertake a combination of built-to-suit projects and projects done without pre-commitment. Our clients include Alcatel-Lucent, Atos Origin, ANZ, Cognizant, Computer Science Corporation, Fidelity, Geometric, IBM, LG Soft India, McAfee, Mercedes-Benz, Microsoft, NetApp, Nokia Siemens Networks, Supervalu, Target, Vodafone and Yahoo!.

We have a strong relationship with IBM which is evidenced by the fact that since 2003 IBM has occupied 4.51 million sq. ft. of Gross Leasable Area spread over 15 projects within three business parks in Bangalore and Pune. In addition, existing customers, including Atos Origin, NetApp, Nokia Siemens Network and LG Soft India, have committed to take up 2.34 million sq. ft. of new space by the end of 2012.

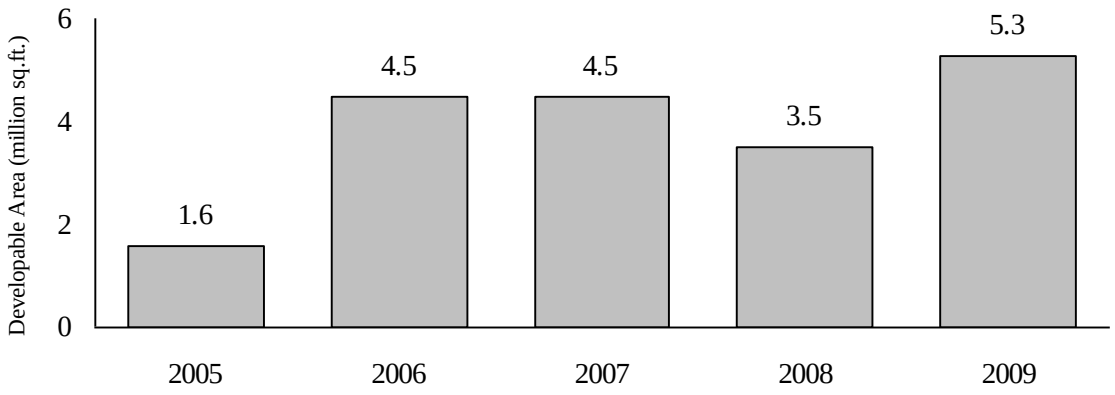
Our residential real estate business entails the development of residential projects ranging from luxury apartments and villas to townships, catering to the affordable housing as well as the middle and upper income segment of the residential property market. Our retail business comprises the development of retail malls and we generate revenues through the sale and lease of our retail projects. Our hospitality business entails the development, and ultimately the operation through third party operators, of hotels and serviced apartments aimed at supporting and complementing our commercial projects.

In our international operations, we have entered into a joint venture with Azikaf Sdn Bhd, a member of the Emkay Group, of Malaysia for the development of *MKN Embassy TechZone*, a business park being developed in Cyberjaya, Malaysia, which constitutes our first real estate development outside of India. This business park will have a total Developable Area of 4.58 million sq. ft., of which our Economic Interest will be 1.83 million sq. ft. Since 2008, 1.39 million sq. ft. of Developable Area has been sold. An additional 0.75 million sq. ft. is presently under development. This business park is part of our strategy to expand into destinations where we believe that IT/ITeS sector clients will seek to establish operations in future, and where our expertise in the development of IT/ITeS projects can be successfully deployed. Additionally, we intend to develop *Embassy TechZone, Serbia*, a business park in Indjija, Serbia. This

business park will have a total Developable Area of 1.00 million sq. ft., of which our Economic Interest will be 0.90 million sq. ft. The first phase of the business park will comprise a Developable Area of 0.25 million sq. ft., of which our Economic Interest will be 0.23 million sq. ft.

We have demonstrated a strong execution track record across the commercial and residential segments of the real estate market in south India, as well as outside India. We have completed 62 domestic and international commercial projects comprising a Developable Area of 18.73 million sq. ft. (of which our Economic Interest is 7.36 million sq. ft.). In addition, we have completed 19 residential projects comprising a Developable Area of 5.30 million sq. ft. (of which our Economic Interest is 1.56 million sq. ft.). These projects, along with our retail completed projects, are hereinafter referred to as our "**Completed Projects**".

As depicted in the graph below, in 2005, 2006, 2007, 2008 and 2009, we received Occupancy Certificates for 1.6 million sq. ft., 4.5 million sq. ft., 4.5 million sq. ft., 3.5 million sq ft. and 5.3 million sq. ft. of Developable Area, respectively.



We also believe that we have a strong pipeline of projects. We are currently developing 49.65 million sq. ft. of Developable Area, of which our Economic Interest is 27.74 million sq. ft., across 76 projects in each of the commercial, residential, retail and hospitality segments of the real estate market. This Developable Area includes 63 domestic and international commercial projects comprising a Developable Area of 36.95 million sq. ft. (of which our Economic Interest is 22.43 million sq. ft.), eight residential projects comprising a Developable Area of 10.56 million sq. ft. (of which our Economic Interest is 4.45 million sq. ft.), three retail projects comprising a Developable Area of 0.89 million sq. ft. (of which our Economic Interest is 0.39 million sq. ft.) and two hospitality projects comprising a Developable Area of 1.25 million sq. ft. (of which our Economic Interest is 0.47 million sq. ft.). We intend to generate revenue from our hospitality developments through the provision of operational, managerial and technical services, through a third party operator. Projects in respect of which we own the land or development rights (including through a joint venture), the requisite approvals for the commencement of construction required under law have been applied for and all internal development plans are in place, are hereinafter referred to as our "**Ongoing Projects**".

In addition, we have acquired an interest in land or development rights, begun the process of procuring all requisite approvals under law and are conducting development planning, for four commercial projects comprising a Developable Area of 20.22 million sq. ft. (of which our Economic Interest is 19.15 million sq.

ft.), five residential projects comprising a Developable Area of 18.03 million sq. ft. (of which our Economic Interest is 14.12 million sq. ft.), two retail projects comprising a Developable Area of 1.60 million sq. ft. (of which our Economic Interest is 1.43 million sq. ft.) and one hospitality project comprising a Developable Area of 0.41 million sq. ft. (of which our Economic Interest is 0.41 million sq. ft.). Projects in respect of which we have acquired an interest in land or development rights (including through a joint venture), begun the process of procuring all requisite approvals under law and commenced with development planning are hereinafter referred to as "**Proposed Projects**".

For details regarding our planned expenditure and funding for certain of our Ongoing Projects and Proposed Projects for which proceeds from the Issue will be used, see "*Objects of the Issue – Details of the Objects*". Information provided in respect of our Ongoing Projects and Proposed Projects is based on current management plans and subject to change.

As at June 30, 2010, the Developable Area of our Land Reserves aggregated into approximately 136.59 million sq. ft. For further details see the section titled "*Our Land Reserves*" on page 169.

While our revenue is principally derived from the lease of commercial and retail projects and the sale of residential projects and other fixed assets, we also generate revenues through a variety of other services provided by our real estate business. These services include the provision of project development and management services. We charge a fee for project development and management services that are provided in respect of all Ongoing Projects and Completed Projects (which are owned through our subsidiaries in which we hold less than a 100% interest, joint ventures or associates). This fee is usually between 5-8% of the construction cost of the project. Asset management services take place once construction of a project is complete and include business management services. This fee is typically 3% of a project's annual gross rental revenues.

OUR COMPETITIVE STRENGTHS

We believe that our principal competitive strengths are as follows:

An established track record and strong execution capability

We are a leading real estate development company in India. We have an established track record of executing real estate developments, particularly in the commercial and residential segments of the south Indian real estate market. We, together with our Promoters, have 25 years of experience in real estate development, having developed an aggregate of 24.54 million sq. ft. of Developable Area in the commercial, residential and retail segments of the real estate market.

Our track record is evidenced by our commercial developments for companies with IT/ITeS operations which include built-to-suit developments for clients such as Alcatel-Lucent, ANZ, Cognizant, Fidelity, IBM, LG Soft India, Microsoft, NetApp, Nokia Siemens Networks, 24/7 Customer and Yahoo!.

In addition, we have a track record of delivering projects to our customers' particular specifications and in accordance with national and international standards such as NFPA, Coral, FM Global, ADA, LEED, ASHRAE and IEEE. In addition, our long-standing relationships with project management firms such as Synergy Property Development ("**Synergy**"), to whom we outsource the project management of our developments, have helped us to ensure the timely delivery of our projects to our customers.

Ability to conceive, design, develop and manage IT business parks in a manner which builds our brand

We are able to conceive, design, develop and manage business parks targeted at clients in the IT/ITeS sector. *Manyata Embassy Business Park* and *Embassy Golflinks Business Park* offer technical features such as large floor plates, dual source primary power supply, redundant and automatic back-up power supplies, international standard air-conditioning, districting cooling systems, UL certified equipment, rain water harvesting systems, noise resistant and low emissivity glass facade, specific floor-loading, advanced fire detection and protection systems, building management systems, communication systems, mechanized parking systems and bus ducts. *Manyata Embassy Business Park* and *Embassy Golflinks Business Park* will offer hotels, residential projects and serviced apartments primarily aimed at supporting and complementing our existing commercial projects. The range of integrated amenities is intended to provide a unique lifestyle for the end-users, and will include features such as a variety of restaurants, retail spaces and spa facilities in a secure environment. We also make sure that our business parks have all the facilities our clients expect, including banks and ATM machines, ambulances, retail outlets, visitor parking, food courts and prayer facilities. We believe our integrated parks, which feature such amenities and services, are highly valued by IT/ITeS customers. We conceived and designed *Manyata Embassy Business Park* and *Embassy Golflinks Business Park* as business parks which would cater to the diverse requirements of our clients and we believe the above features differentiate these business parks from competing commercial developments in India.

This capability has helped us establish a reputable brand name as one of the leading developers in India catering to the IT/ITeS industry. In addition, we believe the strength of our brand is reflected by the fact that our Commercial and Retail Completed Project Vacancy Rate as of April 30, 2010 was 5.84% compared to an average of 19% for commercial projects in seven major cities across India, as of December 31, 2009. (*Source: Cushman & Wakefield Marketbeat Office Reports for Bangalore, Chennai, Hyderabad, Kolkata, Mumbai, National Capital Region (New Delhi, Gurgaon and Noida) and Pune, 4Q 2009*)

Strong customer relationships with multinational companies operating in India

As a result of our ability to anticipate our customers' needs and develop space in locations where our customers are expanding, we have been able to establish long-term relationships with leading multinational customers in the IT/ITeS and financial services industry (such as IBM, Fidelity and ANZ). For example, since 2003 IBM has occupied 4.51 million sq. ft. of Gross Leasable Area spread over 15 projects within three business parks in Bangalore and Pune. Our strong relationships with our key clients are evidenced from the repeat business we receive from them. As of April 30, 2010, 52.4% of the Gross Leasable Area of our commercial Completed Projects, including new space already committed to, was repeat business leased to clients who had previously leased space in our commercial Completed Projects. For details of the space we have delivered to certain key clients, see "*Our Key Commercial Real Estate Clients*" on page 144.

We have strengthened our relationships with key customers by understanding and anticipating their needs in relation to location, project specifications, project size, timing and budget, as well as by providing end-to-end business solutions, including the provision of incubator spaces and built-to-suit facilities. We have a number of meetings and conduct preliminary business development activities in advance of a project being authorized in order to be ready to deliver new space quickly once authorized by a client.

In addition, we believe we are one of the few real estate developers based in India that has experience developing projects outside India. We believe this experience is viewed favorably by our multinational clients.

Strong asset base and near- to medium-term cash flow generating potential

The Completed Projects in our commercial and retail portfolios comprise a Developable Area of 19.25 million sq. ft. We, along with our Subsidiaries, Associates and joint venture partners, continue to own an interest in 14.19 million sq. ft. of Developable Area, out of which we have an Economic Interest of 5.26 million sq. ft. and we continue to generate rental income from this portion of Completed Projects. In addition, the Developable Area of our Land Reserves aggregated into approximately 136.59 million sq. ft. As a result, we would benefit from any appreciation in the market value of such Land Reserves and/or Completed Projects. In the event our asset base appreciates, we will benefit from having the option of either retaining such assets for lease or divesting such assets to benefit from the capital appreciation. In addition, we believe facility rental income from these Completed Projects will continue to generate stable cash flows.

Moreover, we expect to benefit from stable cash flows from commercial Ongoing Projects to be leased. Our commercial portfolio includes 63 Ongoing Projects, comprising a Developable Area of 36.95 million sq. ft. (of which our Economic Interest is 22.43 million sq. ft.). We expect to complete approximately 21.34% of our commercial Ongoing Projects by 2011. In addition, certain tenants have already committed to 6.33% of the Developable Area of our commercial Ongoing Projects. Our lease agreements typically include lock-in provisions with fixed rental escalations on a periodic basis.

Meanwhile, our residential portfolio consists of eight Ongoing Projects comprising a Developable Area of 10.56 million sq. ft. (of which our Economic Interest is 4.45 million sq. ft.) and five Proposed Projects comprising a Developable Area of 18.03 million sq. ft. (of which our Economic Interest is 14.12 million sq. ft.). We generate cash from residential sales at the time of entering into an agreement for sale and when certain milestones for construction are reached.

Scalable business model and long-standing relationships with consultants and contractors

We believe that keeping our organizational and staff structure lean and outsourcing certain activities of the real estate development process (such as construction) have allowed us to increase the scale of our operations, while ensuring that we carry on our existing operations in an efficient and timely manner. We also believe that by establishing and nurturing relationships with leading companies in the various fields of real estate project development, we are able to leverage on their specialized experience, expertise and manpower. In addition, selective outsourcing to consultants and contractors facilitates effective capital and cash management, and reduces our overheads.

We have long-standing relationships with architects (we have an 11 year relationship with RSP Design Consultants Private Limited and a 21 year relationship with Team 2 Architects & Consulting Engineers), project managers (we have a seven year relationship with Synergy), engineers (we have a 10 year relationship with Potential Engineering Consultants), civil contractors (we have an eight year relationship with BL Kashyap and Sons), facade contractors (we have an 11 year relationship with Alufit (India) Private Limited) and electrical contractors (we have a 20 year relationship with Vijaya Electricals). These relationships enable us to better negotiate services from these consultants and contractors. We believe this outsourcing model is key to the successful development of our projects.

Professional management team with a strong track record

Our executive directors are senior experienced professionals and have an average of 20 years of experience in real estate development. Our key management team consists of specialists in their respective business

functions such as operations, finance, marketing, legal, human resources and business development and has an average tenure at our Company of five years. Our employees have an average tenure within the Group of six years and average work experience of 13 years. We believe the extensive experience of our management team helps us to anticipate the trends and requirements of the real estate market, identify and acquire lands at prices which we believe to be at or below market rates and in locations where we believe there is strong demand and ensures high quality and timely delivery to our clients. In addition, we believe that these strengths make us a preferred partner for joint ventures and joint developments.

We also believe that our management team has a strong track record of developing real estate projects in strategic locations that are desirable for both commercial and residential developments owing to their proximity to facilities such as hospitals, hotels, business districts, transportation links, restaurants, retail outlets and natural surroundings, such as *Embassy Golflinks Business Park*, *Embassy Icon* and *Embassy Woods*. We believe that access to these facilities and the locations of our developments make our residential projects appealing to medium to high income customers in the market for residential developments, and our commercial projects appealing to multinational customers, particularly, in the IT/ITeS sector.

OUR STRATEGY

The key elements of our business strategy are as follows:

Continue to develop commercial projects catering to the needs of our IT/ITeS customers

In order to leverage our reputation as one of the leading real estate developers catering to the IT/ITeS industry, we intend to expand our real estate development operations to locations where we believe that our IT/ITeS industry clients will seek to establish commercial operations in the future.

With respect to format, in India, the majority of the Completed Projects in our commercial portfolio are built-to-suit and fit-out developments undertaken for specific clients. These projects are designed and constructed as per the specifications of the end-user of the project, which is often done in a "campus" style with integrated facilities. Going forward, we intend to undertake a combination of built-to-suit projects and projects done without pre-commitment, in formats which we believe will continue to be attractive to our IT/ITeS customers. Furthermore, we intend to focus on making all of our projects environmentally friendly, as such initiatives are a continuing focus of our clients. For example, at Mulberry, *Manyata Embassy Business Park*, pursuant to the gold standard of the Leadership in Energy and Environmental Design ("**LEED**") Green Building Rating System, we have installed specialized glass windows and a heat recovery wheel (which recovers lost heat wasted in air conditioning) to make the buildings more energy efficient. We expect to obtain carbon credits through the clean development mechanism ("**CDM**") issued pursuant to the guidelines of the United Nations Framework Convention on Climate Change ("**UNFCCC**") for projects such as *Embassy TechSquare*. Our buildings are also designed to utilize natural light in order to save energy.

For an example of locations preferred by our clients, we believe *Embassy Knowledge Park*, proposed to be developed in Bangalore, would be a popular location for our IT/ITeS customers due to its location between the city center and the Bangalore International Airport. Similarly, *Embassy TechZone* in Pune is located in close proximity to the Mumbai-Pune expressway which provides easy access to the city. We also intend to expand our overseas operations and invest in commercial projects for our customers in the IT/ITeS industry in select foreign locations. We have entered into a joint venture with the Azikaf Sdn, Bhd, a member of the Emkay Group, of Malaysia, for the development of *MKN Embassy TechZone*, a business park being

developed in Cyberjaya. Additionally, we intend to develop *Embassy TechZone, Serbia,* a business park in Indjija, Serbia.

Strengthen our existing leadership position in south India

We intend to continue to focus on, and strengthen our leadership position in, the commercial real estate market in south India. We believe this region is one of the most attractive real estate markets in India in terms of depth of demand for real estate developments across business segments, particularly in the IT/ITeS industry. We believe that the real estate market in the Bangalore Metropolitan Area has unsatisfied demand for commercial projects. For example, according to Cushman & Wakefield Research, renewed interest by the Indian corporate sector following the economic crisis will lead to a cumulative demand for commercial space in Bangalore of approximately 34 million sq. ft. between 2009 and 2013, the highest expected cumulative demand in any city in India. In addition, Pune is expected to achieve a compound annual growth rate of demand for commercial real estate of 28% between 2009 and 2013, (*Source: Cushman & Wakefield Research: Survival to Revival, 2009*). We expect that built-to-suit commercial developments and business parks for the IT/ITeS sector will continue to be a major strategic focus in the medium- to long-term.

While we will continue to focus on the real estate market in the Bangalore Metropolitan Area, we will also evaluate attractive growth opportunities in other locations in south India based on criteria such as potential demand for real estate and competition, such as Hyderabad, Chennai and Cochin.

Increase portfolio of residential projects

We intend to focus on the development of projects in our residential portfolio across three segments: premium housing, integrated business parks and affordable housing. The growth of our residential portfolio is further evidenced by the increase in square footage under development from 10.56 million sq. ft. of Developable Area of our Ongoing Projects to 18.03 million sq. ft. of Developable Area of our Proposed Projects. In addition, the locations of our residential projects are attractive to prospective clients due to their proximity to our commercial developments, for example *Manyata Embassy Business Park*.

While our offerings currently cater to middle- and upper-income customers, we intend to target lower income groups in the affordable housing segment without compromising on the quality of our developments. For example, through our joint venture relationship with MK Land Sdn Bhd ("**MK Land**") in Malaysia, we intend to develop affordable housing projects in India. We believe that increasing our portfolio of residential projects in this manner will enable us to diversify our overall real estate development portfolio and become a residential developer across a diverse range of price segments and income groups.

In addition to the foregoing, we intend to actively market our residential projects to the employees of the companies located within our business parks. We believe the employees of prospective tenants will be interested in our residential projects given their familiarity with our brand.

Continue to expand and develop our Land Reserves

We believe that continuing to expand and develop our Land Reserves is critical to increasing our market penetration across the various market segments in which we operate. We intend to continue acquiring land at strategic locations in Bangalore and across India in all of our industry segments. We believe that we have enhanced our Land Reserves by acquiring large and contiguous parcels of land at competitive costs from

private parties or governments, thereby allowing us to undertake large scale commercial, residential, retail and hospitality projects. We also focus on geographic regions where we see capital appreciation opportunities once the Land Reserves are developed.

Expand our existing projects and develop additional integrated properties

We intend to expand our existing projects as part of our real estate development business. Such expansion will include the development of hotels, residential projects and serviced apartments primarily aimed at supporting and complementing our existing commercial projects. The range of integrated amenities is intended to provide a unique lifestyle for the end-users, and will include features such as, a variety of restaurants, retail spaces and health and spa facilities. In addition, the business parks will benefit from security and communication facilities. *Manyata Embassy Business Park* will be an example of this type of business park.

Continue to focus on active asset management of our commercial Completed Projects

We actively manage our commercial Completed Projects, including by maintaining a dialogue with our clients to learn how the projects may be improved. For example, we have refurbished certain fit outs, enhanced security systems and added environmentally friendly features (such as rain-water harvesting) at certain projects. By actively managing and upgrading such projects, we believe that we can improve client satisfaction, reduce vacancies and increase rental rates.

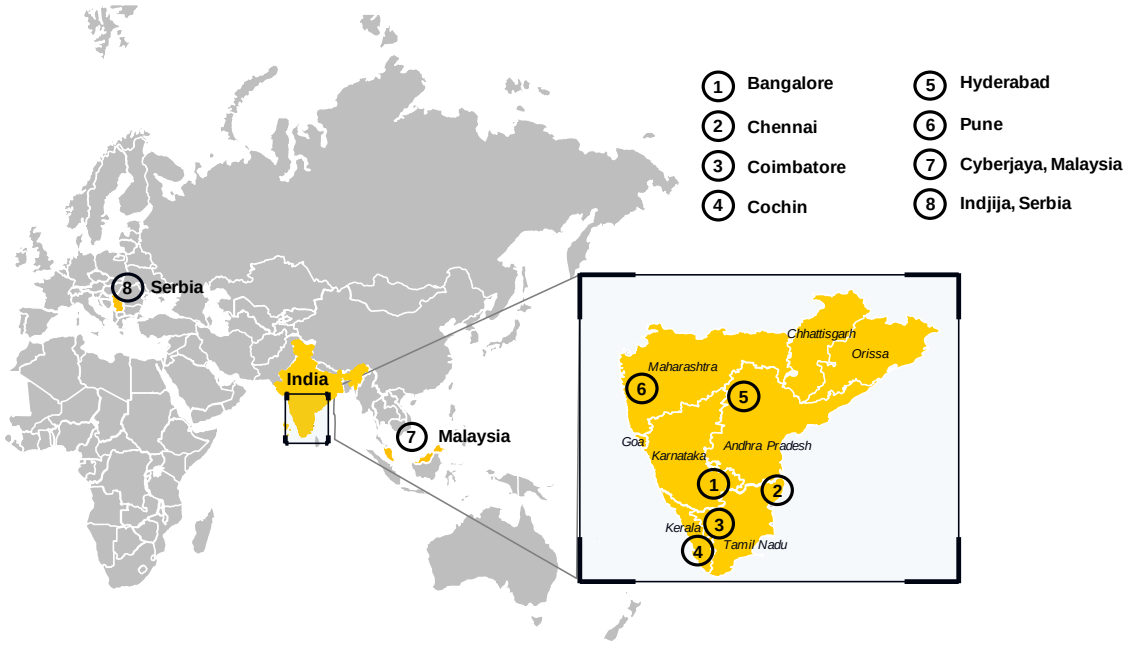
OUR OPERATIONS

Our Real Estate Development Business

We are a leading developer of business parks for the IT/ITeS sector in south India. Business parks include SEZs and IT parks certified by STPI. Our real estate development business covers projects in the commercial, residential, retail and hospitality segments of the real estate market. Our commercial business develops corporate office space and SEZs. Our residential business caters to both the middle and upper income segments of the residential real estate market. We also develop retail space, principally mall developments, and hospitality projects (managed by third parties) such as hotels and serviced apartments.

Whilst our primary geographic focus has been Bangalore, we have also undertaken, or are presently undertaking, projects in other Indian cities such as Chennai, Cochin, Coimbatore, Hyderabad and Pune, as well as outside India in Malaysia and Serbia.

The following map illustrates our geographic presence in cities across south India, Malaysia and Serbia:


1 Bangalore
2 Chennai
3 Coimbatore
4 Cochin
5 Hyderabad
6 Pune
7 Cyberjaya, Malaysia
8 Indjija, Serbia
8 Serbia
India
7 Malaysia
Chhattisgarh
Orissa
Maharashtra
6
5
Goa
Karnataka
Andhra Pradesh
1
2
Kerala
3
4
Tamil Nadu

The following map illustrates the locations of certain of our projects in Bangalore:

The following table represents the Developable Area, Gross Leasable Area and our Economic Interest in our Completed Projects, Ongoing Projects and Proposed Projects in each of the commercial, retail and hospitality real estate segments, (which include those projects that we have completed and/or undertaken with or by our Promoter) as at April 30, 2010:

	Completed Projects			Ongoing Projects			Proposed Projects		
Project Type	**Developable Area (in sq. ft.)**	**Gross Leasable Area (in sq. ft.)**	**Our Economic Interest (in sq. ft.)**	**Developable Area (in sq. ft.)**	**Gross Leasable Area (in sq. ft.)**	**Our Economic Interest (in sq. ft.)**	**Developable Area (in sq. ft.)**	**Gross Leasable Area (in sq. ft.)**	**Our Economic Interest (in sq. ft.)**
Commercial	18,732,646	17,802,198	7,353,462	36,945,206	36,910,840	22,433,384	20,218,412	20,218,412	19,147,088
Retail	514,882	453,911	309,298	894,512	894,512	390,243	1,600,993	1,600,993	1,425,400
Hospitality	-	-	-	1,247,783	1,247,783	466,034	412,621	412,621	408,495
TOTAL	**19,247,528**	**18,256,109**	**7,662,760**	**39,087,501**	**39,053,135**	**23,289,661**	**22,232,026**	**22,232,026**	**20,980,983**

The following table represents the Developable Area, Gross Saleable Area and our Economic Interest in our Completed Projects, Ongoing Projects and Proposed Projects in the residential real estate segment (which include those projects that we have completed and/or undertaken with or by our Promoter), as at April 30, 2010:

	Completed Projects			Ongoing Projects			Proposed Projects		
Project Type	**Developable Area (in sq. ft.)**	**Gross Saleable Area (in sq. ft.)**	**Our Economic Interest (in sq. ft.)**	**Developable Area (in sq. ft.)**	**Gross Saleable Area (in sq. ft.)**	**Our Economic Interest (in sq. ft.)**	**Developable Area (in sq. ft.)**	**Gross Saleable Area (in sq. ft.)**	**Our Economic Interest (in sq. ft.)**
Residential	5,296,655	5,296,655	1,563,593	10,558,365	10,058,365	4,453,061	18,032,303	17,682,303	14,121,811
TOTAL	**5,296,655**	**5,296,655**	**1,563,953**	**10,558,365**	**10,058,365**	**4,453,061**	**18,032,303**	**17,682,303**	**14,121,811**

Our Commercial Portfolio

We develop a wide range of commercial projects such as corporate office space and SEZs. We specialize in the development of business parks for the IT/ITeS sector. The majority of our commercial projects are undertaken on a built-to-suit basis, which means that our projects are designed and constructed as per the specifications of the end-user of the project. We enter into a definitive contract with the end-user prior to commencing construction. A number of our Completed Projects, such as *Embassy Square*, *Embassy Icon* and *Embassy Paragon* offer features including back-up power generators, firefighting and security systems. Our Ongoing Projects and Proposed Projects are a mix of built-to-suit projects and projects done without a pre-commitment. 2.34 million sq. ft. of our Ongoing Projects have been pre-committed to by existing tenants pursuant to the terms of the existing lease agreements.

Our commercial real estate portfolio consists of 62 Completed Projects, 63 Ongoing Projects and four Proposed Projects.

As of April 30, 2010, our Commercial and Retail Completed Project Vacancy Rate was 5.84% and the Company's Vacancy Rate was 6.76%.

Completed Projects – Commercial Portfolio

The following table sets forth the details of our domestic Completed Projects (which include those projects that we have completed and/or undertaken with or by our Promoter) as at April 30, 2010:

No.	Name of Project & Location	Developable Area (in sq. ft.)	Gross Leasable Area (in sq. ft.)	Our Economic Interest (in sq. ft.)	Effective Interest (%)	Area Leased (in sq. ft.)	Area Sold (in sq. ft.)	Project Completion Date
1	Embassy Centre, Crescent Road, Bangalore	42,000	42,000	-	0	-	-	1989
2	Embassy Chambers, Vittal Mallya Road, Bangalore	30,000	30,000	-	0	-	-	1991
3	Embassy Classic, Vittal Mallya Road, Bangalore	40,000	40,000	20,000	50	-	20,000	2001
4	Embassy Diamante, Vittal Mallya Road, Bangalore	21,000	21,000	-	0	-	-	1995
5	Augusta, Embassy Golflinks Business Park, Bangalore	341,526	341,526	113,480	33.23	113,480	-	August 2005
6	Blue Bay & Fountainhead, Embassy Golflinks Business Park, Bangalore	539,031	539,031	262,778	48.75	262,778	-	February 2006
7	Cherry Hills, Embassy Golflinks Business Park, Bangalore	439,241	439,241	214,130	48.75	-	214,130	August 2005
8	Crystal Downs, Embassy Golflinks Business Park, Bangalore	281,925	205,000	99,938	48.75	99,938	-	January 2005
9	Cypress Point, Embassy Golflinks Business Park,	265,271	265,271	129,320	48.75	-	129,320	June 2003

No.	Name of Project & Location	Developable Area (in sq. ft.)	Gross Leasable Area (in sq. ft.)	Our Economic Interest (in sq. ft.)	Effective Interest (%)	Area Leased (in sq. ft.)	Area Sold (in sq. ft.)	Project Completion Date
	Bangalore							
10	Eagle Ridge, Embassy Golflinks Business Park, Bangalore	230,366	230,366	112,303	48.75	112,303	-	December 2006
11	Fairwinds, Embassy Golflinks Business Park, Bangalore	410,074	398,516	120,653	30.28	120,653	-	August 2006
12	Incubation Point 1, Embassy Golflinks Business Park, Bangalore	24,000	24,000	11,700	48.75	-	11,700	October 2003
13	Incubation Point 2, Embassy Golflinks Business Park, Bangalore	24,000	24,000	11,700	48.75	-	11,700	April 2004
14	Incubation Point 3, Embassy Golflinks Business Park, Bangalore	30,000	30,000	14,625	48.75	-	14,625	September 2004
15	Pacific Dunes, Embassy Golflinks Business Park, Bangalore	364,218	364,218	177,556	48.75	177,556	-	March 2004
16	Peach Tree, Embassy Golflinks Business Park, Bangalore	463,449	463,449	225,931	48.75	225,931	-	June 2005
17	Pebble Beach, Embassy Golflinks Business Park,	276,141	223,719	109,063	48.75	-	109,063	June 2003

No.	Name of Project & Location	Developable Area (in sq. ft.)	Gross Leasable Area (in sq. ft.)	Our Economic Interest (in sq. ft.)	Effective Interest (%)	Area Leased (in sq. ft.)	Area Sold (in sq. ft.)	Project Completion Date
	Bangalore							
18	Pine Hurst, Embassy Golflinks Business Park, Bangalore	306,425	250,000	121,875	48.75	-	121,875	April 2004
19	Pine Valley, Embassy Golflinks Business Park, Bangalore	649,507	634,526	309,331	48.75	309,331	-	February 2006
20	Princeville, Embassy Golflinks Business Park, Bangalore	27,485	27,485	13,399	48.75	13,399	-	May 2007
21	Royal Oaks, Embassy Golflinks Business Park, Bangalore	30,990	30,990	30,990	100	30,990	-	December 2006
22	St Andrews, Embassy Golflinks Business Park, Bangalore	345,989	218,440	45,898	21.01	45,898	-	March 2006
23	Sunningdale, Embassy Golflinks Business Park, Bangalore	252,762	252,762	123,221	48.75	123,221	-	December 2006
24	Sun River, Embassy Golflinks Business Park, Bangalore	479,886	387,446	106,548	27.5	106,548	-	November 2008
25	Torrey Pines, Embassy Golflinks Business Park, Bangalore	343,013	259,712	126,610	48.75	126,610	-	May 2007
26	Embassy Icon, Infantry Road,	254,297	254,297	-	0	-	-	2002

No.	Name of Project & Location	Developable Area (in sq. ft.)	Gross Leasable Area (in sq. ft.)	Our Economic Interest (in sq. ft.)	Effective Interest (%)	Area Leased (in sq. ft.)	Area Sold (in sq. ft.)	Project Completion Date
	Bangalore							
27	Embassy Icon Annexe, Infantry Road, Bangalore	30,000	30,000	30,000	100	-	30,000	2003
28	Embassy Links, Cunningham Road, Bangalore	29,000	29,000	29,000	100	-	29,000	2004
29	Embassy Point, Infantry Road, Bangalore	48,000	48,000	-	0	-	-	1994
30	Embassy Square, Infantry Road, Bangalore	97,500	97,500	-	0	-	-	1995
31	Embassy Star, Palace Road, Bangalore	86,897	86,897	86,897	100	-	86,897	2004
32	Embassy Prime, CV Raman Nagar, Bangalore	743,360	743,360	743,360	100	-	743,360	2004
33	Embassy Signet, ORR, Bangalore	278,864	278,864	278,864	100	-	278,864	June 2006
34	Embassy Paragon, Whitefield, Bangalore	301,536	301,536	137,792	45.7	-	-	December 2009
35	Alder & Maple, Manyata Embassy Business Park, Bangalore	553,728	553,728	187,603	33.88	187,603	-	October 2006
36	Beech, Manyata Embassy Business Park, Bangalore	150,427	142,146	48,159	33.88	24,237	-	February 2008

No.	Name of Project & Location	Developable Area (in sq. ft.)	Gross Leasable Area (in sq. ft.)	Our Economic Interest (in sq. ft.)	Effective Interest (%)	Area Leased (in sq. ft.)	Area Sold (in sq. ft.)	Project Completion Date
37	Cedar, Manyata Embassy Business Park, Bangalore	579,227	579,227	196,242	33.88	183,597	-	April 2009
38	Cypress, Manyata Embassy Business Park, Bangalore	615,131	615,131	208,406	33.88	208,406	-	August -2007
39	Elm, Manyata Embassy Business Park, Bangalore	507,236	493,543	167,212	33.88	122,703	-	April 2009
40	Eucalyptus, Manyata Embassy Business Park, Bangalore	478,208	467,150	158,270	33.88	158,270	-	July 2008
41	Jacaranda, Manyata Embassy Business Park, Bangalore	447,879	333,359	112,942	33.88	112,942	-	August 2009
42	Magnolia, Manyata Embassy Business Park, Bangalore	337,738	280,538	95,383	33.88	84,078	-	October 2006
43	Mahogany, Manyata Embassy Business Park, Bangalore	939,658	754,038	255,468	33.88	259,404	-	February 2009
44	MLCP C Parcel, Manyata Embassy Business Park, Bangalore	334,000	334,000	113,159	33.88	95,805	-	April 2009
45	MLCP D Parcel, Manyata	345,000	345,000	116,886	33.88	116,886	-	April 2008

No.	Name of Project & Location	Developable Area (in sq. ft.)	Gross Leasable Area (in sq. ft.)	Our Economic Interest (in sq. ft.)	Effective Interest (%)	Area Leased (in sq. ft.)	Area Sold (in sq. ft.)	Project Completion Date
	Embassy Business Park, Bangalore							
46	MLCP E Parcel, Manyata Embassy Business Park, Bangalore	184,500	184,500	62,509	33.88	46,881	-	February 2008
47	Mulberry G1, Manyata Embassy Business Park, Bangalore	621,765	621,765	210,654	33.88	210,654	-	April 2010
48	Pine, Manyata Embassy Business Park, Bangalore	430,303	430,303	145,787	33.88	145,787	-	December 2009
49	Redwood, Manyata Embassy Business Park, Bangalore	474,512	474,512	160,765	33.88	160,765	-	July 2007
50	Rosewood, Manyata Embassy Business Park, Bangalore	246,955	246,955	83,668	33.88	83,668	-	October 2006
51	Silver Oak, Manyata Embassy Business Park, Bangalore	529,019	529,019	179,232	33.88	140,767	-	February 2008
52	Colorado & Mississippi, Embassy TechZone, Pune	621,348	596,873	298,437	50	298,437	-	June 2008
53	Nile, Embassy TechZone, Pune	325,467	325,467	162,734	50	115,857	-	April 2009
54	Incubation, Embassy	30,000	30,000	15,000	50	15,000	-	January 2009

No.	Name of Project & Location	Developable Area (in sq. ft.)	Gross Leasable Area (in sq. ft.)	Our Economic Interest (in sq. ft.)	Effective Interest (%)	Area Leased (in sq. ft.)	Area Sold (in sq. ft.)	Project Completion Date
	TechZone, Coimbatore							
55	Block C, Hebbal, Bangalore, Kirloskar Business Park[1]	336,293	336,293	-	0	-	-	May 2006
56	Columbia Asia, Kirloskar Business Park[2]	95,697	95,697	-	0	-	-	January 2005
	TOTAL	**17,311,844**	**16,381,396**	**6,785,141**		**4,640, 086**	**1,800,534**	

Notes:

1. We receive 12.5% of the net profits from the project through a profit sharing agreement. Our Economic Interest in this project is a result of a development management agreement with Kirloskar.

2. We receive 12.5% of the net profits from the project through a profit sharing agreement. Our Economic Interest in this project is a result of a development management agreement with Kirloskar. This is a healthcare project.

The following table sets forth the details of our international Completed Projects as at April 30, 2010:

No.	Name of Project & Location	Developable Area (in sq. ft.)	Gross Leasable Area (in sq. ft.)	Our Economic Interest (in sq. ft.)	Effective Interest (%)	Area Leased (in sq. ft.)	Area Sold (in sq. ft.)	Project Completion Date
1	Block A, MKN Embassy TechZone Malaysia	296,789	296,789	118,716	40	-	118,716	May 2008
2	Block B, MKN Embassy TechZone Malaysia	326,047	326,047	130,419	40	-	130,419	May 2008
3	Block C, MKN Embassy TechZone Malaysia	248,318	248,318	99,327	40	-	99,327	November 2009

No.	Name of Project & Location	Developable Area (in sq. ft.)	Gross Leasable Area (in sq. ft.)	Our Economic Interest (in sq. ft.)	Effective Interest (%)	Area Leased (in sq. ft.)	Area Sold (in sq. ft.)	Project Completion Date
4	Block D, MKN Embassy TechZone Malaysia	278,295	278,295	111,318	40	-	111,318	February 2010
5	Cafeteria & Gymnasium, MKN Embassy TechZone Malaysia	25,833	25,833	10,333	40	10,333	-	February 2010
6	MLCP, MKN Embassy TechZone Malaysia	245,520	245,520	98,208	40	-	98,208	September 2009
	TOTAL	**1,420,802**	**1,420,802**	**568,321**		**10,333**	**557,988**	

Set out below is a description of two Completed Projects in our commercial portfolio:

- *Embassy Icon, Infantry Road, Bangalore* – is located at the junction of Vidhan Veedi and Infantry Road, a prominent site within the central business district of the city. *Embassy Icon* was completed in 2002 and has 254,297 sq. ft. of Developable Area. The project also has a double basement providing ample car parking space

- *Embassy Square, Infantry Road, Bangalore* – is located at a prominent site on Infantry Road in the city centre. *Embassy Square* is a classic, colonial-style building covering approximately 97,500 sq. ft. of office space across multiple office units. *Embassy Square* is located approximately 1 km from city landmarks such as Bangalore's High Court and the Governor's residence. We believe this complex was the first building in the city to offer a centralized captive power unit. We also believe it was the first building in the city to be managed professionally, which, we believe, has helped enhance the rental rates and capital values.

A description of *Embassy Golflinks Business Park* and *Manyata Embassy Business Park* is set out under *"Our Signature Real Estate Developments"*, and a description of *MKN Embassy TechZone* is set out under *"Our International Real Estate Development Operations"*.

Ongoing Projects – Commercial Portfolio

The following table sets forth the details of our domestic Ongoing Projects as at April 30, 2010:

No.	Name of Project & Location	Developable Area (in sq. ft.)	Gross Leasable Area (in sq. ft.)	Effective Interest (%)	Our Economic Interest (in sq. ft.)	Estimated Completion Date
1	Cinnabar Hills, Embassy Golflinks Business Park, Bangalore	146,395	112,029	25	28,007	October 2010
2	Embassy Techpoint, Challaghata, Bangalore	149,289	149,289	50	74,644	June 2012
3	Alpha, Embassy TechSquare, Bangalore	368,113	368,113	84.18	309,878	August 2011
4	Delta, Embassy TechSquare, Bangalore	430,860	430,860	100	430,860	August 2011
5	MLCP, Embassy TechSquare, Bangalore	366,125	366,125	100	366,125	September 2012
6	Omega, Embassy TechSquare, Bangalore	470,255	470,255	100	470,255	September 2012
7	Block A, Embassy TechZone, Coimbatore	314,247	314,247	50	157,124	June 2012
8	Block B, Embassy TechZone, Coimbatore	487,770	487,770	50	243,885	June 2013
9	Block C, Embassy TechZone, Coimbatore	355,502	355,502	50	177,751	June 2013
10	Block D, Embassy TechZone, Coimbatore	1,364,471	1,364,471	50	682,236	June 2015
11	Block E, Embassy TechZone, Coimbatore	435,262	435,262	50	217,631	June 2012
12	Block F, Embassy TechZone, Coimbatore	1,073,645	1,073,645	50	536,823	June 2014
13	Amazon, Embassy TechZone, Pune	296,640	296,640	50	148,320	March 2012
14	Congo, Embassy TechZone, Pune	514,535	514,535	50	275,268	September 2010
15	Danube, Embassy TechZone, Pune	957,900	957,900	50	478,950	March 2013
16	Ganges, Embassy TechZone, Pune	296,640	296,640	50	148,320	March 2014
17	Indus, Embassy TechZone, Pune	915,329	915,329	50	475,665	March 2014
18	Mekong, Embassy TechZone, Pune	301,419	301,419	50	150,710	December 2010
19	MLCP 1, Embassy TechZone, Pune	320,000	320,000	50	160,000	September 2010
20	MLCP 2, Embassy TechZone, Pune	311,600	311,600	50	155,800	September 2010
21	MLCP 3, Embassy TechZone, Pune	247,380	247,380	50	123,690	May 2010
22	MLCP 4, Embassy TechZone, Pune	515,055	515,055	50	275,528	March 2012

No.	Name of Project & Location	Developable Area (in sq. ft.)	Gross Leasable Area (in sq. ft.)	Effective Interest (%)	Our Economic Interest (in sq. ft.)	Estimated Completion Date
23	MLCP 5, Embassy TechZone, Pune	468,310	468,310	50	234,155	March 2013
24	MLCP 6, Embassy TechZone, Pune	365,435	365,435	50	182,718	March 2014
25	Rhine, Embassy TechZone, Pune	508,525	508,525	50	254,263	May 2010
26	Rio Grande, Embassy TechZone, Pune	37,879	37,879	50	18,940	March 2013
27	Thames, Embassy TechZone, Pune	498,924	498,924	50	249,464	March 2012
28	Volga, Embassy TechZone, Pune	39,689	39,689	50	19,845	September 2010
29	Block A, Embassy TechZone, Whitefield, Bangalore	2,250,408	2,250,408	98	2,205,400	March 2013
30	Block B, Embassy TechZone, Whitefield, Bangalore	1,912,932	1,912,932	98	1,874,673	March 2014
31	Block C, Embassy TechZone, Whitefield, Bangalore	1,362,334	1,362,334	98	1,335,087	September 2013
32	Block D, Embassy TechZone, Whitefield, Bangalore	1,912,932	1,912,932	98	1,874,673	September 2014
33	Block E, Embassy TechZone, Whitefield, Bangalore	1,859,607	1,859,607	98	1,822,415	September 2015
34	Block F, Embassy TechZone, Whitefield, Bangalore	1,701,437	1,701,437	98	1,667,408	March 2016
35	Embassy Vogue, Palace Road, Bangalore	36,606	36,606	50	18,303	March 2011
36	Aspen, Manyata Embassy Business Park, Bangalore	436,825	436,825	33.88	147,996	May 2012
37	Banyan, Wing A & B, Manyata Embassy Business Park, Bangalore	503,200	503,200	33.88	170,484	March 2012
38	Block A, Manyata Embassy Business Park, Bangalore	1,040,000	1,040,000	33.88	352,352	September 2013
39	Ebony, Manyata Embassy Business Park, Bangalore	560,650	560,650	33.88	189,948	May 2011
40	Gulmohar, Manyata Embassy Business Park, Bangalore	424,000	424,000	33.88	143,651	December 2010
41	Hazel, Manyata Embassy Business Park, Bangalore	475,000	475,000	33.88	160,930	March 2013
42	MLCP, G parcel, Manyata Embassy Business Park, Bangalore	688,270	688,270	33.88	233,186	September 2013
43	MLCP, L parcel, Manyata Embassy Business Park, Bangalore	813,560	813,560	33.88	275,634	September 2013

No.	Name of Project & Location	Developable Area (in sq. ft.)	Gross Leasable Area (in sq. ft.)	Effective Interest (%)	Our Economic Interest (in sq. ft.)	Estimated Completion Date
44	MLCP -1, F parcel, Manyata Embassy Business Park, Bangalore	275,125	275,125	33.88	93,212	September 2013
45	MLCP -1, L parcel, Manyata Embassy Business Park, Bangalore	356,750	356,750	33.88	120,867	June 2010
46	Spruce, Manyata Embassy Business Park, Bangalore	428,500	428,500	33.88	145,176	March 2013
47	Mountain Ash, Manyata Embassy Business Park, Bangalore	832,500	832,500	33.88	282,051	August 2011
48	Palm, Manyata Embassy Business Park, Bangalore	847,615	847,615	33.88	287,172	March 2013
49	Poplar, Manyata Embassy Business Park, Bangalore	301,670	301,670	33.88	102,206	May 2012
50	Silver Fir, Manyata Embassy Business Park, Bangalore	397,803	397,803	33.88	134,776	June 2010
51	Teak, Manyata Embassy Business Park, Bangalore	577,760	577,760	33.88	195,745	May 2011
52	Willow, Manyata Embassy Business Park, Bangalore	475,000	475,000	33.88	160,930	March 2013
	TOTAL	**33,027,678**	**32,993,312**		**20,987,124**	

The following table sets forth the details of our international Ongoing Projects as at April 30, 2010:

No.	Name of Project & Location	Developable Area (in sq. ft.)	Gross Leasable Area (in sq. ft.)	Effective Interest (%)	Our Economic Interest (in sq. ft.)	Estimated Completion Date
1	Shell, Cyberjaya, Malaysia	754,695	754,695	24	181,127	December 2010
2	Block E, MKN Embassy TechZone, Malaysia	427,141	427,141	40	170,856	March 2012
3	Block F, MKN Embassy TechZone, Malaysia	427,141	427,141	40	170,856	March 2012
4	Block G, MKN Embassy TechZone Malaysia	426,741	426,741	40	170,696	March 2013
5	Block H, MKN Embassy TechZone Malaysia	394,285	394,285	40	157,714	March 2013

6	Block I, MKN Embassy TechZone Malaysia	321,948	321,948	40	128,779	March 2011
7	Block J, MKN Embassy TechZone Malaysia	321,948	321,948	40	128,779	March 2011
8	Block K, MKN Embassy TechZone Malaysia	379,409	379,409	40	151,764	March 2013
9	MLCP A, MKN Embassy TechZone Malaysia	110,112	110,112	40	44,045	March 2011
10	MLCP B, MKN Embassy TechZone Malaysia	109,108	109,108	40	43,643	March 2013
11	MLCP C, MKN Embassy TechZone Malaysia	245,000	245,000	40	98,000	March 2012
	TOTAL	**3,917,528**	**3,917,528**		**1,446,260**	

Set out below is a description of certain of our Ongoing Projects in our commercial portfolio:

- *Embassy Techpoint, Challaghata, Bangalore* – is located in close proximity to *Embassy Golflinks Business Park* and comprises a Developable Area of 0.15 million sq. ft. *Embassy Golflinks Business Park* currently has no vacancies. We expect that tenants who were interested in *Embassy Golflinks Business Park* will express an interest in this project. *Embassy Techpoint* is situated adjacent to *Embassy Manor*, a proposed residential development. The project will be launched in 2011.

- *Embassy TechSquare, Bangalore* – is located on a 7.96 acre property located at the south-east quadrant of Outer Ring Road ("**ORR**"), with good road connectivity to the central business district as well as residential areas via three access routes, namely, the ORR, Old Madras Road and Varthur Road. This area has the largest concentration of operational IT/ITeS companies in Bangalore. The IT/ITeS sector has accounted, on average, for 22% per annum of absorption in Bangalore between 2004 and 2009. In 2009 this area witnessed the second highest absorption in Bangalore at 1.19 million sq. ft. which was 33% of the total amount of space absorbed in 2009. (*Source: Cushman & Wakefield, Marketbeat, Bangalore Office Report, Q1 2010*)

  Embassy TechSquare, Bangalore will comprise three office blocks and a multi-level car park. *Project Alpha* of the business park, comprising a Developable Area of 0.36 million sq. ft., of which our Economic Interest is 0.36 million sq. ft., has been committed to by LG Soft India Private Limited as a built-to-suit facility. There is a common basement designed for the entire development to facilitate vehicular movement as well as a multi-level car park to enhance parking facilities. This development will be designed in compliance with the gold standard of the LEED Green Building Rating System. We propose to obtain carbon credits through the CDM issued pursuant to the guidelines of the UNFCCC. Construction of the business park commenced in April 2010.

- *Embassy TechZone, Whitefield, Bangalore* – is located at Whitefield, a key IT destination in the city. *Embassy TechZone* will be developed on a 60.55 acre property located on the Whitefield Main Road. We intend to develop *Embassy TechZone* as an integrated development, including an IT-specific SEZ along with residential and retail facilities. Block A of the business park, comprising 2.25 million sq. ft. of Developable Area, will be completed by March 2013.

We believe Whitefield has significant potential for growth and development across our market segments. Development in Whitefield was initiated by the Karnataka Industrial Areas Development Board by forming a consortium with Ascendas Pte. Ltd. ("**Ascendas**") (a leading real estate development company based in Singapore) to develop high quality office space. The International Tech Park, Bangalore is amongst Ascendas' signature developments in India. IT companies in the area include GE Global Research, Accenture and SAP Labs India. We also expect Whitefield to experience growth in residential, hospitality and retail projects. For the further details, see the section titled "*Industry Overview – Overview of Bangalore*" on page 114.

A description of *Embassy Golflinks Business Park* and *Manyata Embassy Business Park* is set out under *"Our Signature Real Estate Developments"*, and a description of *MKN Embassy TechZone, Malaysia* is set out under *"Our International Real Estate Development Operations"*.

Proposed Projects – Commercial Portfolio

The following table sets forth the details of our Proposed Projects as at April 30, 2010:

No.	Name of Project & Location	Developable Area (in sq. ft.)	Gross Leasable Area (in sq. ft.)	Our Economic Interest (in sq. ft.)	Effective Interest (%)	Estimated Completion Date
1	Embassy Knowledge Park, Bangalore	16,086,822	16,086,822	15,925,954	99	2018
2	Embassy TechZone, Serbia, Phase 1 Serbia	250,000	250,000	225,000	90	2013
3	Embassy TechZone, Serbia, Phase 2 Serbia	750,000	750,000	675,000	90	2017
4	Integrated Township, Devanhalli, Bangalore	3,131,590	3,131,590	2,321,135	74.12	2016
	TOTAL	**20,218,412**	**20,218,412**	**19,147,088**		

Set out below is a description of two of the Proposed Projects in our commercial portfolio:

- *Embassy Knowledge Park, Bangalore* – is a "walk-to-work" facility located approximately 10 km from Bangalore International Airport road. The business park will be located on a 204.10 acre land parcel. Approximately 79% of *Embassy Knowledge Park* will comprise IT/ITeS work spaces and the remaining space will be used for residential, recreational, entertainment and hospital developments. *Embassy Knowledge Park* will be jointly developed with the Karnataka State Electronics Development Corporation.

  We believe *Embassy Knowledge Park, Bangalore* is strategically located because North Bangalore is expected to witness growth over the next decade. This growth is expected due to the development and expansion of Bangalore International Airport, as well as other government initiatives, including a 40 square kilometre Information Technology Investment Region, an International Finance Centre and a Hardware Park, the widening of the Bangalore airport road and the proposed high-speed rail link connecting the city to airport. (*Source: Cushman & Wakefield,*

Marketbeat, Bangalore Office Report, Q1 2010) For additional details about the growth expected in North Bangalore, see the section titled "*Industry Overview – Overview of Bangalore*" on page 114.

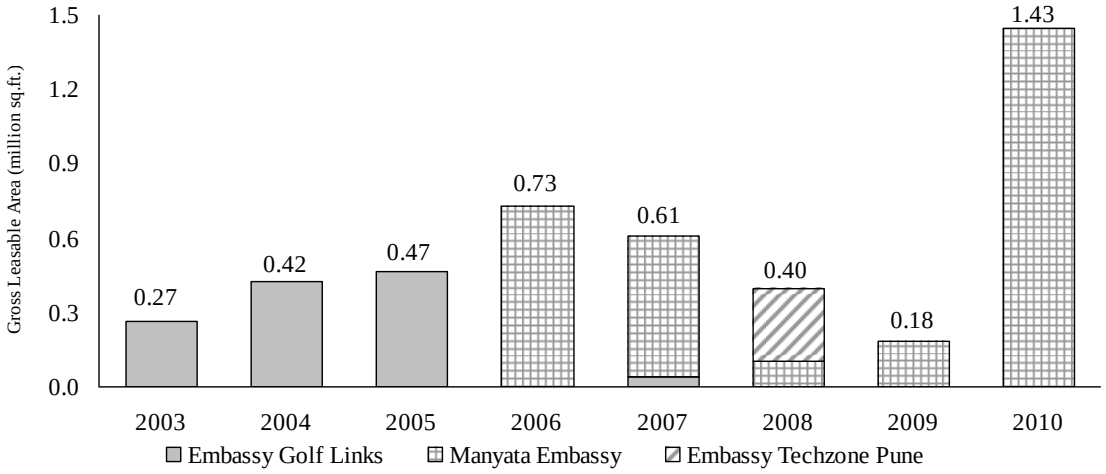
- *Embassy TechZone, Serbia* – will be a business park in Indjija, Serbia. Construction of *Embassy TechZone, Serbia* is expected to commence by the end of 2010, subject to the receipt of zoning approvals. This development is proposed to be designed in compliance with the guidelines published by FM Global (a company specialising in loss prevention), as well as in compliance with the gold standard of the LEED Green Building Rating System. For further details see the section titled "*Our International Real Estate Development Operations*" on page 161.

Our Key Commercial Real Estate Clients

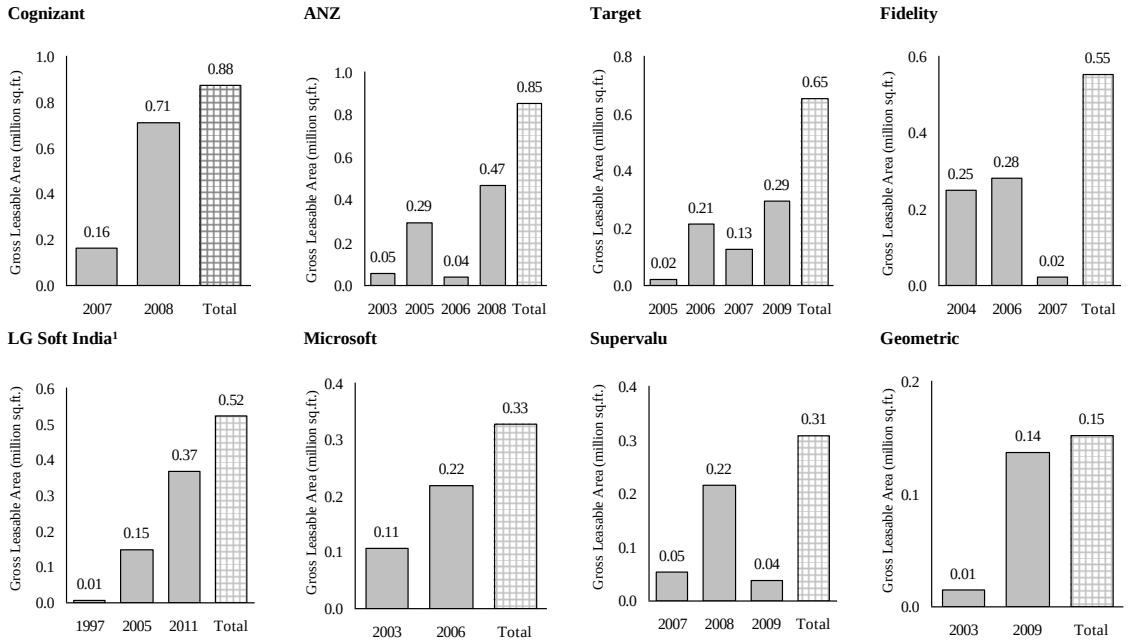
IBM

Since 2003, we have leased an aggregate of approximately 4.51 million sq. ft. of Developable Area to IBM spread over 15 projects within three business parks in Bangalore and Pune.

The following graph illustrates our commercial space delivery to IBM from 2003 to April 30, 2010:



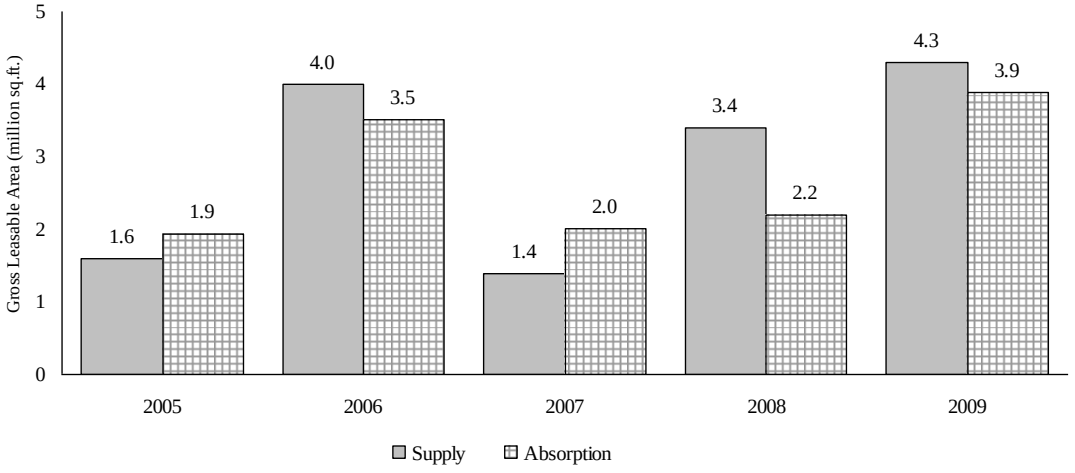
Our strong relationships with our key clients are evidenced from the repeat business we receive from them. As of April 30, 2010, 52.4% of the Gross Leasable Area of our commercial Completed Projects was repeat business leased to clients who had previously leased space in our commercial Completed Projects. The following graph illustrates our commercial space delivery (historical and planned) to other key commercial clients between 1997 and 2011:



Notes:

1. LG Soft India has committed to take up 0.37 million sq. ft. of Gross Leasable Area and will take occupation in August 2011.

The following diagram represents our year-on-year delivery of Completed Projects in our commercial and retail portfolio and the Gross Leasable Area sold or leased in the periods indicated:



Notes:

1. Supply refers to the Gross Leasable Area of commercial and retail space delivered by our Company based on the receipt of Occupancy Certificates.

2. Absorption refers to the Gross Leasable Area that was sold or leased.

Our Residential Portfolio

We intend to focus on the development of projects in our residential portfolio across three segments: premium housing, integrated business parks and affordable housing. We develop a wide range of residential projects, from luxury apartments and villas to townships, catering to all segments of the residential property market. Ongoing Projects such as, *Embassy Grove* in Bangalore, *Embassy Residency* in Chennai and *Embassy Pristine* in Bangalore will cater to the upper income segment of the property market in India. In addition, *Embassy Residency* in Bangalore will be integrated with *Manyata Embassy Business Park*. Meanwhile, through our joint venture with MK Land, Malaysia, we intend to develop affordable housing projects in India. A number of our residential projects, such as the project in *Embassy Knowledge Park, Bangalore* are included as part of larger development of office, retail, hospitality or business park space. In most cases, our residential developments benefit from amenities such as gymnasiums, gardens, pools and recreational facilities. We generate revenue from our residential projects through the sale of residential units.

Our residential real estate portfolio consists of 19 Completed Projects, eight Ongoing Projects and five Proposed Projects.

Completed Projects – Residential Portfolio

The following table sets forth the details of our Completed Projects (which include those projects that we have completed and/or undertaken with or by our Promoter) as at April 30, 2010:

No.	Name of Project & Location	Developable Area (in sq. ft.)	Gross Saleable Area (in sq. ft.)	Our Economic Interest (in sq. ft.)	Effective Interest (%)	Project Completion Date
1	Embassy Casabella, Lavelle Road, Bangalore	23,356	23,356	-	0	1997
2	Embassy Corner, Vittal Mallya Road, Bangalore	33,000	33,000	-	0	1990
3	Embassy Court, Crescent Road, Bangalore	46,300	46,300	-	0	1988
4	Embassy Crown, Aga Abbas Ali Road, Bangalore	33,282	33,282	-	0	2000
5	Embassy Eros, Ulsoor Lake Road, Bangalore	87,890	87,890	-	0	2000
6	Embassy Espana, Commissariat Road, Bangalore	23,144	23,144	-	0	2002
7	Embassy Grace, Davis Road, Bangalore	36,560	36,560	36,560	100	2003
8	Embassy Habitat, Palace Road Vasanthnagar, Bangalore	689,862	689,862	344,931	50	2009
9	Embassy Heritage, Malleshwaram, Bangalore	228,010	228,010	-	0	2006
10	Embassy Highstreet, Cox Town, Bangalore	18,460	18,460	-	0	2002
11	Embassy Meadows, Koramangala, Bangalore	139,602	139,602	139,602	100	2004

No.	Name of Project & Location	Developable Area (in sq. ft.)	Gross Saleable Area (in sq. ft.)	Our Economic Interest (in sq. ft.)	Effective Interest (%)	Project Completion Date
12	Embassy Palace, Cunningham Road, Bangalore	114,200	114,200	-	0	1991
13	Embassy Place, Nandidurga Road, Bangalore	22,800	22,800	-	0	1996
14	Embassy Orchid, Palace Orchards, Bangalore	75,907	75,907	-	0	2003
15	Embassy Tranquil, Koramangala, Bangalore	166,885	166,885	-	0	2001
16	Embassy Woods, Cunningham Road, Bangalore	184,135	184,135	-	0	1996
17	Fortune Fields, Hyderabad	3,000,000	3,000,000	1,042,500	34.75	2007
18	KCN Mansion, Race Course Road, Bangalore	57,000	57,000	-	0	1993
19	The Embassy , Ali Askar Road, Bangalore	316,262	316,262	-	0	1992
	TOTAL	**5,296,655**	**5,296,655**	**1,563,593**		

Set out below is a brief description of two of the Completed Projects in our residential portfolio:

- *Embassy Habitat, Palace Road, Vasanthnagar, Bangalore* - is spread over seven acres of land and is one of the largest residential projects in the city center in Bangalore. The development is located on Palace Road and was completed in 2009. The development consists of a total of 345 units comprising 105 two-, 191 three-, 41 four- and eight five-bedroom apartments ranging in size from 1,150 sq. ft. to 2,500 sq. ft. All apartments have access to natural lighting and the development benefits from facilities such as a jogging track, swimming pool and amphitheatre. The development also features a luxury clubhouse spread over 10,000 sq. ft., which houses a billiards room, squash court, gymnasium, heated swimming pool, party hall, convenience store and a cyber café. The development is targeted at the upper income segment of the residential market.

- *Embassy Woods, Cunningham Road, Bangalore* – is a premium residential project located on the upscale Cunningham Road, abutting the central business district of the city. Completed in 1996, *Embassy Woods* comprises 36 three-bedroom and 10 four-bedroom duplex and penthouse apartments. The apartments have been constructed using high quality materials and specifications such as "indo-Italian" marble and hydro-pneumatic water pressure systems. All penthouses have fully landscaped private terrace gardens. The common amenities include a clubhouse, fitness facilities and swimming pool.

Ongoing Projects – Residential Portfolio

The following table sets forth the details of our Ongoing Projects as at April 30, 2010:

No.	Name of Project & Location	Developable Area (in sq. ft.)	Gross Saleable Area (in sq. ft.)	Our Economic Interest (in sq. ft.)	Effective Interest (%)	Estimated Completion Date
1	Embassy Grove - Phase 1, Old Airport Road, Bangalore	401,596	401,596	401,596	100	March 2013
2	Embassy Grove - Phase 2, Old Airport Road, Bangalore	133,865	133,865	133,865	100	March 2013
3	Embassy Manor - Phase 1, Challaghata	201,979	201,979	100,990	50	September 2012
4	Embassy Manor - Phase 2, Challaghata	246,863	246,863	123,432	50	September 2013
5	Embassy Pristine, ORR, Bangalore	1,814,937	1,814,937	1,216,008	67	December 2012
6	Embassy Residency, Chennai	2,722,500	2,722,500	295,936	10.87	September 2013
7	Embassy TechZone, Whitefield, Bangalore	2,225,750	2,225,750	2,181,235	98	March 2015
8	Kirloskar Residency, Hebbal, Bangalore[1]	2,810,875	2,310,875	-	0	September 2013
	TOTAL	**10,558,365**	**10,058,365**	**4,453,061**		

Notes:
1. We receive 12.5% of the net profits from the project through a profit sharing agreement

Set out below is a brief description of certain of our Ongoing Projects in our residential portfolio:

- *Embassy Grove, Old Airport Road, Bangalore* – is a residential project located on a 7.93 acre property off Old Airport Road, Bangalore. *Embassy Grove* faces the Karnataka Golf Course. A number of amenities including a five star hotel, hospital, restaurants, schools and parks, are all within a one km radius of this location. The project comprises 108 four bedroom row houses, which range in size from 4,500 sq. ft. to 5,500 sq. ft. The living areas within the apartment blocks offer clear views to the golf course. Car parking is provided in stilts and in the basement with direct entry under each block to reduce traffic circulation within the development. *Embassy Grove* will have a range of facilities including a clubhouse, fitness centre, sports facilities and swimming pool. A clubhouse spread over one acre, is proposed to be developed adjacent to *Embassy Grove* where preferential memberships will be available to the owners of *Embassy Grove*.

- *Embassy Manor, Challaghata* – is a residential project located on a 5.10 acres of land in close proximity to *Embassy Golflinks Business Park. Embassy Manor* consists of a total of 242 units comprising 68 two-, 150 three- and 24 four- bedroom apartments. *Embassy Manor* is well-suited to accommodate the employees of the surrounding business parks, including *Embassy Golflinks Business Park. Embassy Manor* will offer amenities such as a swimming pool, convenience store, gymnasium and club facilities.

- *Embassy Pristine, ORR, Bangalore* – will be a residential project to be located on 14 acres of land on the ORR, Iblur Village in Bangalore. The ORR has emerged as a key area for residential development

due to the growing presence of IT/ITeS companies. Proximity to the suburban area of Koramangala has played a role in residential development in this area. The project is being developed pursuant to a joint development agreement between our Company and Mr Mahesh Reddy and others, who are the owners of the underlying land. The development will comprise approximately 428 units, which includes 286 three-bedroom apartments, 71 four-bedroom apartments and 71 five-bedroom apartments. The project will include features such as lake-facing apartments and terraced gardens, and will also benefit from two clubhouses, two swimming pools and a jogging track. The apartments will benefit from a solar-heated water supply, a water softener plant and rain-water harvesting techniques, which we believe makes the development environmentally friendly. As the project will be surrounded by a 900 acre public lake and wooded lands owned by the government, we believe that it will also be an aesthetically attractive development in which to live. *Embassy Pristine* has also been designed with environmentally friendly features in compliance with the gold standard of the LEED Green Building Rating System and includes features such as a solar-heated water supply and low flow toilet fixtures. We propose to obtain carbon credits through the CDM issued pursuant to the guidelines of the UNFCCC. The development is targeted at the upper income segment of the residential market.

- *Embassy Residency, Chennai* - covers 25 acres and is the first integrated township in close proximity to Chennai City. *Embassy Residency* is located in Perumbakkam near Chennai City. The project comprises 2,037 two-bedroom apartments, 556 three-bedroom apartments and 528 units for the Economically Weaker Section ("EWS"). The first phase offers apartments ranging between 650 sq. ft. to 1,400 sq. ft. The project has environmentally friendly features such as Atmospheric Potable Water, rain water harvesting, energy saving devices, such as solar power water heaters and yard lighting, and clay hollow bricks used for non-load bearing partition walls. The indoor and outdoor attractions of the project are landscaping and lagoons, a gymnasium and fitness centre, swimming pool, jogging track, play area for children, pharmacy, a school, day care centre, bank with safe deposit lockers, café, a clubhouse, 24 hour security and a multipurpose hall.

Proposed Projects – Residential Portfolio

The following table sets forth details of our Proposed Projects as at April 30, 2010:

No.	Name of Project & Location	Developable Area (in sq. ft.)	Gross Saleable Area (in sq. ft.)	Our Economic Interest (in sq. ft.)	Effective Interest (%)	Estimated Completion Date
1	Embassy Knowledge Park, Bangalore	2,987,312	2,987,312	2,957,439	99	2017
2	Embassy Orchards, Sadashivnagar, Bangalore	68,157	68,157	34,079	50	2013
3	Embassy Residency, Bangalore [2]	877,734	877,734	544,195	62	2014
4	Embassy Residency, Cochin	1,877,300	1,527,300	1,527,300	100	2014
5	Integrated Township, Devanhalli, Bangalore	12,221,800	12,221,800	9,058,798	74.12	2017
	TOTAL	**18,032,303**	**17,682,303**	**14,121,811**		

Set out below is a brief description of one of the Proposed Projects in our residential portfolio:

- *Integrated Township, Devanhalli, Bangalore* – this integrated township is proposed to be developed over a 217.79 acre property located near the Bangalore International Airport. We believe the airport, as well as the fact that the Government of Karnataka has identified North Bangalore as a key development zone, will drive economic activity and real estate development in the region. Government initiatives include a proposal to establish a 40 square kilometre Information Technology Investment Region, an International Finance Centre and a Hardware Park. The integrated township will be developed in association with MK Embassy Land, a property development company listed on Bursa Malaysia. MK Embassy Land has a track record of having developed approximately 40,000 affordable housing units. The project would include residential accommodation of all types including affordable housing units, office space, retail facilities, a bus station, a school and recreational and sports facilities. We intend for the project to have a mix of 16% for commercial space, 35% for villas, 33% for apartments and 16% for affordable housing, as measured by land area.

Our Retail Portfolio

We develop a number of retail projects, such as retail malls and hyper-markets. We generate revenue from our retail developments through the lease of our retail projects. Retail developments include the Future Group's first "Central" brand store, as well as the *Embassy Paragon*. Our Ongoing Projects include multi-use developments such as *Manyata Embassy Business Park*.

Our retail real estate portfolio consists of five Completed Projects, three Ongoing Projects and two Proposed Projects.

Completed Projects – Retail Portfolio

The following table sets forth the details of our Completed Projects as at April 30, 2010:

No.	Name of Project & Location	Developable Area (in sq. ft.)	Gross Leasable Area (in sq. ft.)	Our Economic Interest (in sq. ft.)	Effective Interest (%)	Area Leased (in sq. ft.)	Area Sold (in sq. ft.)	Completion Date
1	Riviera, Embassy Golflinks Business Park, Bangalore	25,242	25,242	12,305	48.75	12,305	-	June 2005
2	Golden Hills, Embassy Golflinks Business Park, Bangalore	37,000	37,000	18,038	48.75	18,038	-	December 2006
3	Embassy Paragon, Whitefield, Bangalore	211,435	211,435	211,435	100	203,640	-	December 2009
4	Beech, Manyata Embassy Business Park, Bangalore	77,490	74,730	25,319	33.88	25,319	-	February 2008
5	Victoria Embassy, CBD, Bangalore[1]	163,715	105,504	42,202	40	-	42,202	March 2004

TOTAL	**514,882**	**453,911**	**309,298**	**259,301**	**42,202**

Notes:

1.The area for the mall at Victoria Embassy was demerged from Dynasty Developers Private Limited

Set out below is a brief description of one of the Completed Projects in our retail portfolio:

Victoria Embassy, Bangalore – better known as *Bangalore Central*, this development is located in 1.1 acres of retail space at the junction of Residency Road and Commissariat Road in the central business district of Bangalore, and was completed in 2004 and is rented to Pantaloon Retail (India) Limited, part of the Future Group.

Ongoing Projects – Retail Portfolio

The following table sets forth the details of our Ongoing Projects as at April 30, 2010:

No.	Name of Project & Location	Developable Area (in sq. ft.)	Gross Leasable Area (in sq. ft.)	Our Economic Interest (in sq. ft.)	Effective Interest %	Estimated Completion Date
1	Embassy Galaxy Mall, Residency Road, Bangalore	189,762	189,762	72,736	38.33	January 2012
2	Embassy Mall, Whitefield, Bangalore	488,450	488,450	244,225	50	March 2013
3	Block A, Manyata Embassy Business Park, Bangalore	216,300	216,300	73,282	33.88	September 2013
	TOTAL	**894,512**	**894,512**	**390,243**		

Set out below is a brief description of three of the Ongoing Projects in our retail portfolio:

- *Embassy Galaxy Mall, Residency Road, Bangalore* – is located on the site of the erstwhile Galaxy Theatre on Residency Road. *Embassy Galaxy Mall* will comprise 189,762 sq. ft. of upscale retail space. The mall will also have a two-level car park. *Embassy Galaxy Mall* is spread over four floors and will include a food court on the fourth floor. *Embassy Galaxy Mall* is spread over 1.10 acres of land where our Economic Interest will be 72,736 sq. ft. The project location is in the centre of the shopping district of the city and is in close proximity to Brigade Road, MG Road and Commisariat Road. Construction of *Embassy Galaxy Mall* has commenced and is expected to be completed in January 2012.

- *Embassy Mall, Whitfield, Bangalore* - is proposed to be located on Whitefield Main Road. *Embassy Mall* is located in close proximity to commercial and residential areas. *Embassy Mall* is spread over 3.75 acres of land with a Developable Area of 488,450 sq. ft., of which our Economic Interest will be 244,225 sq. ft. *Embassy Mall* will have a hyper market, retail space, food court and multiplex. Construction is expected to commence in March 2011.

Proposed Projects – Retail Portfolio

The following table sets forth the details of the Proposed Projects in our retail portfolio as at April 30, 2010:

No.	Name of Project & Location	Developable Area (in sq. ft.)	Gross Leasable Area (in sq. ft.)	Our Economic Interest (in sq. ft.)	Effective Interest (%)	Estimated Completion Date
1	Embassy Knowledge Park, Bangalore[1]	959,583	959,583	949,987	99	2014
2	Integrated Township, Devanhalli, Bangalore	641,410	641,410	475,413	74.12	2013
	TOTAL	**1,600,993**	**1,600,993**	**1,425,400**		

Notes:
1. The retail portion of Embassy Knowledge Park will be completed in 2014. Other portions will be completed in 2018.

Our Hospitality Portfolio

We have begun developing hospitality projects as part of our real estate development business. These projects will comprise hotels and serviced apartments, and are primarily aimed at supporting and complementing our commercial projects. We intend to generate revenue from our hospitality developments through the provision of operational, managerial and technical services, through a third-party operator. The Ongoing Projects in the hospitality sector are intended to complement our business parks at the same locations.

Whilst we have no Completed Projects in our hospitality portfolio, we have two Ongoing Projects and one Proposed Project.

Ongoing Projects – Hospitality Portfolio

The following table sets forth the details of our Ongoing Projects as at April 30, 2010:

No.	Name of Project & Location	Developable Area (in sq. ft.)	Gross Leasable Area (in sq. ft.)	Our Economic Interest (in sq. ft.)	Effective Interest (%)	Estimated Completion Date
1	Hilton Residence, Embassy Golflinks Business Park, Bangalore	458,046	458,046	198,471	43.33	2011
2	Block A, Manyata Embassy Business Park, Bangalore	789,737	789,737	267,563	33.88	September 2013
	TOTAL	**1,247,783**	**1,247,783**	**466,034**		

Set out below is a brief description of the Ongoing Projects in our hospitality portfolio:

- *Hilton Residence, Embassy Golflinks Business Park, Bangalore* – will be a serviced apartment development located at *Embassy Golflinks Business Park, Bangalore*. The project is spread over 3.57 acres of land and the development will comprise 251 guest rooms, 165 studio apartments, 78 one-bedroom units and eight two-bedroom units. The project will have the benefit of a coffee shop, Irish-style pub, all-day dining room and restaurant, juice bar, Asian-specialty restaurant, meeting room, retail space, open parking spaces, storage and service areas, swimming pool, health club and spa, public grounds and landscaped gardens. The project will also benefit from close proximity to the suburbs of Koramangala and Indiranagar, and central business district areas such as MG Road and Residency Road. We have entered into a technical assistance service agreement and a management agreement with Hilton International Company Limited, pursuant to which Hilton International will provide the operational, managerial and technical services to the project.

- *Block A, Manyata Embassy Business Park, Bangalore* – the integrated facility proposed as part of *Manyata Embassy Business Park* will comprise retail, hotel, serviced apartment and corporate office facilities. The development, with total area of 2.04 million sq. ft., will be located on a land parcel of approximately eight acres. This land is part of the 110.5 acres where *Manyata Embassy Business Park* is located. The development will comprise of 1.04 million sq. ft. of corporate office space, 0.22 million sq. ft. of retail and 0.78 million sq. ft. of hospitality space with 371 hotel rooms and 109 serviced apartments. The facility is complementary to *Manyata Embassy Business Park* with the hotel and serviced apartments designed to cater to the population of *Manyata Embassy Business Park* which is expected to exceed 100,000 by 2012, as well as travellers due to the proximity of the Bangalore International Airport. The demand from tenants such as IBM, Fidelity, ANZ, Target and Alcatel Lucent, are expected to create demand for the hospitality components of the development. The other key component of the development will be commercial space designed for use by corporations. We believe there is a shortage of smaller-size office units in Bangalore, which we expect will help drive demand for our commercial space.

Proposed Projects – Hospitality Portfolio

The following table sets forth the details of our Proposed Project as at April 30, 2010:

No.	Name of Project & Location	Developable Area (in sq. ft.)	Gross Leasable Area (in sq. ft.)	Our Economic Interest (in sq. ft.)	Effective Interest (%)	Estimated Completion Date
1	Embassy Knowledge Park, Bangalore[1]	412,621	412,621	408,495	99	2014
	TOTAL	**412,621**	**412,621**	**408,495**		

Notes:

1. The hospitality portion of Embassy Knowledge Park will be completed in 2014. Other portions will be completed in 2018.

OUR REAL ESTATE SERVICES BUSINESS

Project Development Services, Asset Management Services and Property Management Services

Project Development Services

Project development services includes supervising and coordinating all aspects of the developments, including construction, hiring property managers and architects and applying for licenses and approvals. Project development services are provided until the completion of construction of a project. We do not provide these services outside India, and, to date, we have provided these services only to projects which have been partially owned by our subsidiaries or associates. For joint developments, we have a contract with our joint venture partner to ensure that we are appointed as the project development manager prior to entering into the joint venture.

Our business consultancy income consists of revenue generated from our project development services. We charge a fee for project development services that are provided in respect of certain Ongoing Projects and Completed Projects (which are owned through our subsidiaries in which we hold less than a 100% interest, joint ventures or associates). This fee is usually between 5-8% of the construction cost of the project.

Asset Management Services

Asset management services take place once construction of a project is complete and includes activities such as building management to operate, maintain and manage the buildings and common areas; lease and renewal management, liaising with tenants to attend to their complaints and queries, identifying new tenants, as well as the supervision and collection of rents. It also consists of maintaining accounting records, managing insurance and making statutory filing for companies which own the respective project; marketing activities such as advertising and promotional activities, structuring new leasing terms and financing activities such as restructuring the indebtedness related to our projects.

We also actively manage our commercial Completed Projects, including by maintaining a dialogue with our clients to learn how the projects may be improved. For example, we have refurbished certain fit outs, enhanced security systems and added environmentally friendly features (such as rain-water harvesting) at certain projects including *Embassy Golflinks Business Park* and *Manyata Embassy Business Park*.

We have recently begun collecting an asset management fee in respect of certain Completed Projects (but excluding those projects where our Economic Interest is 100% of the Completed Project) that are leased to tenants. This fee is typically 3% of a project's annual gross rental revenues. We have not yet recognised any asset management fees in our financial statements.

Property Management Services

We appoint Embassy Services Private Limited to serve as property manager for projects as part of our asset management services. Embassy Services Private Limited provides property management services such as security, housekeeping, transportation services and equipment maintenance.

OUR SIGNATURE REAL ESTATE DEVELOPMENTS

Embassy Golflinks Business Park

Embassy Golflinks Business Park is one of the largest IT-specific business parks in Bangalore. The development is located close to the central business district just off the Inner Ring Road, making it both accessible and centrally-located.

Spread over 60 acres of land, the development comprises 6.33 million sq. ft. of Developable Area (of which our Economic Interest is 2.74 million sq. ft.), which houses approximately 40,000 people. Tenants include IBM, Microsoft, Fidelity, Computer Science Corporation, ANZ, Mercedes Benz, McAfee, NetApp, Target, Supervalu and Yahoo!. Of the 21 completed projects, 13 projects are single tenanted office blocks which have been constructed as per client specifications.

The business park is surrounded on two sides (north and east) by the 18-hole KGA Golf Course and wooded lands owned by the government on the southern side. Each project within the business park has been named after well-known golf courses of the world. We believe the greenery and landscaping features of the project enhance the business park's ambience.

The business park benefits from supporting facilities such as food courts, a visitor parking area, a 500-seat amphitheatre, banking facilities, a convenience store and foreign exchange outlets, prayer facilities and a 24-hour ambulance service and an on-call doctor. *Embassy Golflinks Business Park* is a secure facility with 24-hour security services including CCTV surveillance throughout the business park with a control room which is monitored 24 hours a day, as well as a hotline connecting all facilities. The project was designed by a professional team which comprised architects, engineers, environment consultants, traffic consultants, lighting consultants, landscape designers. The buildings have been designed as per various international standards as specified by various tenants. Examples of such standards include building compliance with NBC/IS standards, high speed elevators, low emissivity glass facade to reduce heat load and sewage treatment plans.

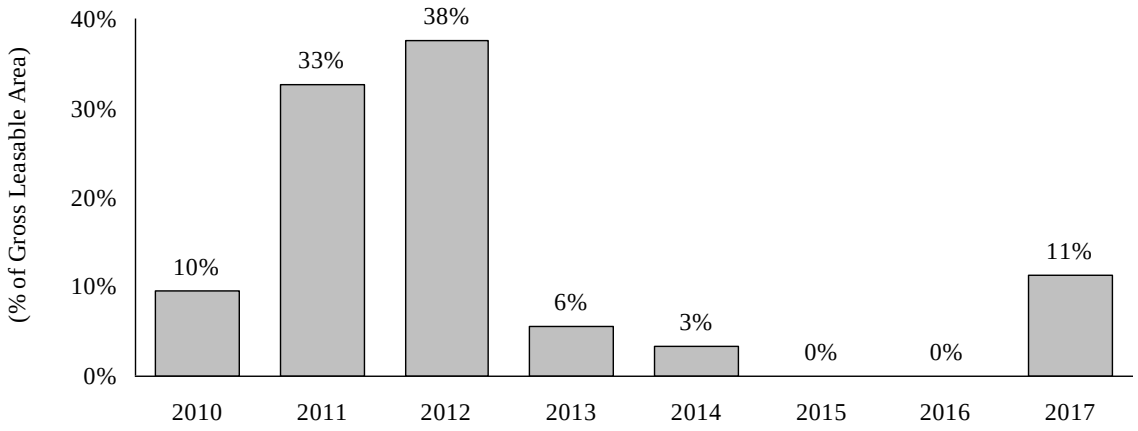
The business park also has access to our *Hilton Residence* serviced apartment development (See "*Our Real Estate Development Business – Our Hospitality Portfolio – Ongoing Projects*"). The project currently has no vacancies.

The following table sets out the details of certain key tenants, as at April 30, 2010:

No.	Client	Gross Leasable Area (in sq. ft.)
1.	IBM	1,193,453
2.	Yahoo!	478,833
3.	NetApp	339,493
4.	Microsoft	326,359
5.	24/7	324,920

No.	Client	Gross Leasable Area (in sq. ft.)
6.	ANZ	291,893
7.	McAfee	283,231
8.	Computer Science Corporation	274,709
9.	Fidelity	271,779
	TOTAL	**3,784,670**

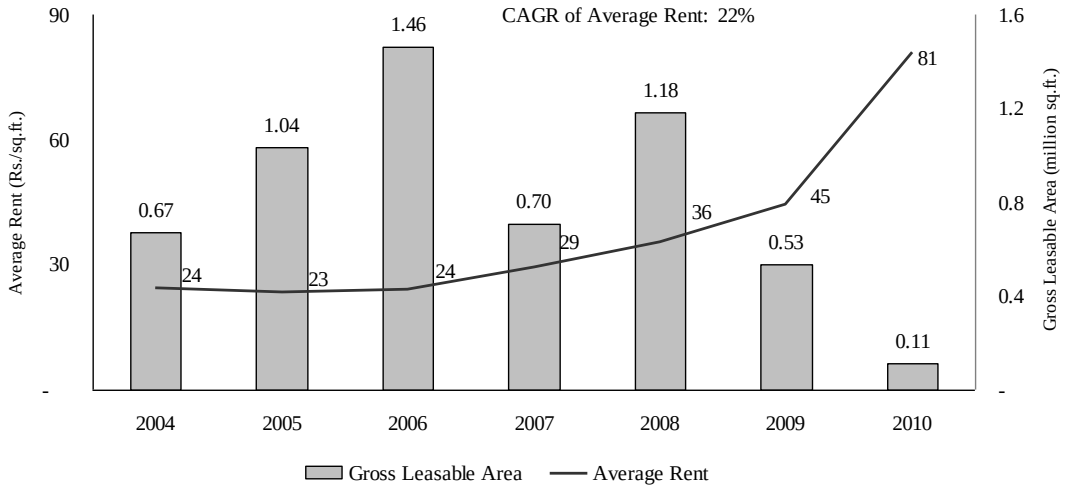
The following graph depicts the percentage of Gross Leasable Area leased at *Embassy Golflinks Business Park* where the leased period is due to expire during the periods indicated:



Notes:
In many cases, the expiry of the lease is subject to the right of a tenant to extend the lease for one or two additional five-year terms. As a result, if tenants exercise their rights to renew such leases, the dates on which such leases actually expire may differ from the dates reflected in the following graph.

For a discussion of our standard lease agreements, see the section titled "*Real Estate Project Development and Execution Methodology – Project Handover, Completion and Post Completion*" on page 162.

The following graph sets forth the average rent per square foot of commercial space in *Embassy Golflinks Business Park* for (i) leases entered into from 2004 through May 31, 2010 or (ii) letters of intent to lease space entered into as of May 31, 2010:



Notes:

1. *Average rent per square foot in a particular year is derived by dividing the total rent received per month for space for which a new lease agreement has been entered into in that year by the Gross Leasable Area of such space.*
2. *Rent received per month reflects the initial rental rate under a lease agreement without regard for any free rental periods or changes in rental rates over the duration of the lease.*
3. *In 2010, area leased consists of 0.11 million sq. ft. of space committed to by a tenant pursuant to a letter of intent. We have not entered into a lease agreement and have not begun to collect rent.*

Manyata Embassy Business Park

Manyata Embassy Business Park is an integrated mixed-use development which is one of the largest operational IT-specific business parks in India. The business park is spread over 110.49 acres of land located in the northern quadrant of the ORR, which we believe to be one of the fastest growing commercial locations in Bangalore. *Manyata Embassy Business Park* benefits from close proximity to the Bangalore International Airport and the project's location on the ORR provides easy access to all parts of Bangalore. In addition, an initiative to make ORR "signal free" from Madiwala in south Bangalore to Hebbal in north Bangalore is expected to improve access to and from the business park.

The business park has a Developable Area of 18.29 million sq. ft., of which our Economic Interest is 6.20 million sq. ft., and as of April 2010, 7.85 million sq. ft. of Developable Area within the business park was operational. The project has been designed by a professional team which comprised architects, engineers, environment consultants, traffic consultants, lighting consultants, landscape designers. The buildings have been designed as per various international standards as specified by various tenants. Examples of such standards include low emissivity glass, vertical sun shading devices and building sprinkler and addressable fire alarm systems.

Manyata Embassy Business Park is also a secure facility with 24-hour security services. Tenants include IBM, Fidelity, ANZ, Nokia Siemens Networks, Target, Supervalu, Alcatel-Lucent and Cognizant. Of the 17 completed projects, eight projects and four wings of certain projects are single tenanted office blocks which have been constructed as per client specifications.

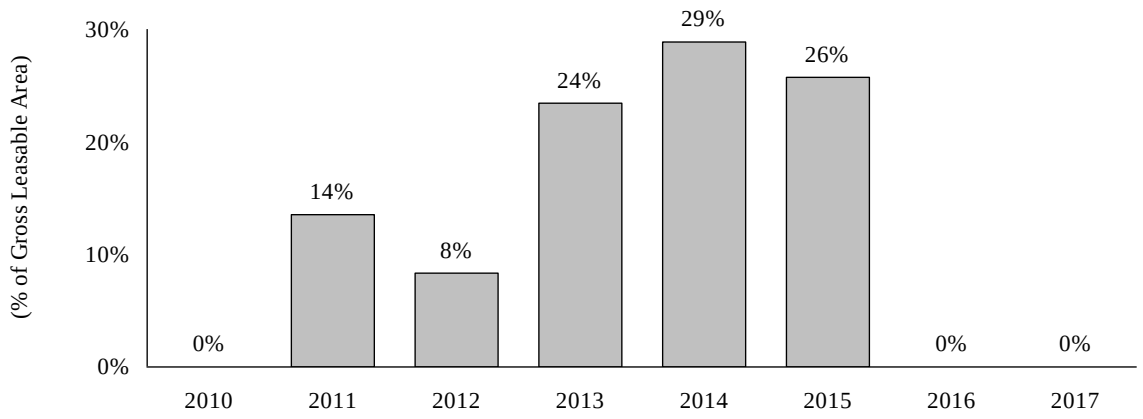
52.14 acres of the business park is an operational IT/ITeS SEZ, with the remainder of the business park falling under the domestic tariff zone. The SEZ-component of the development has been rated by the Ministry of Commerce and Industry of the Government of India as one of the best performing SEZs in India in terms of promoting exports.

The business park also benefits from facilities such as a multi-cuisine food court, visitors' car parking, 24-hour ambulance service, ATMs and a fire station. In addition, the business park has 24-hour security services.

The following table sets out the details of certain key tenants, as at April 30, 2010:

No.	Client	Gross Leasable Area (in sq. ft.)
1.	IBM	3,020,680
2.	Nokia Siemens Networks	828,106
3.	Cognizant	711,613
4.	ANZ	467,150
5.	Alcatel-Lucent	418,443
6.	Target	406,532
7.	Cerner	340,789
8.	Supervalu	254,377
9.	Fidelity	207,480
	TOTAL	**6,655,170**

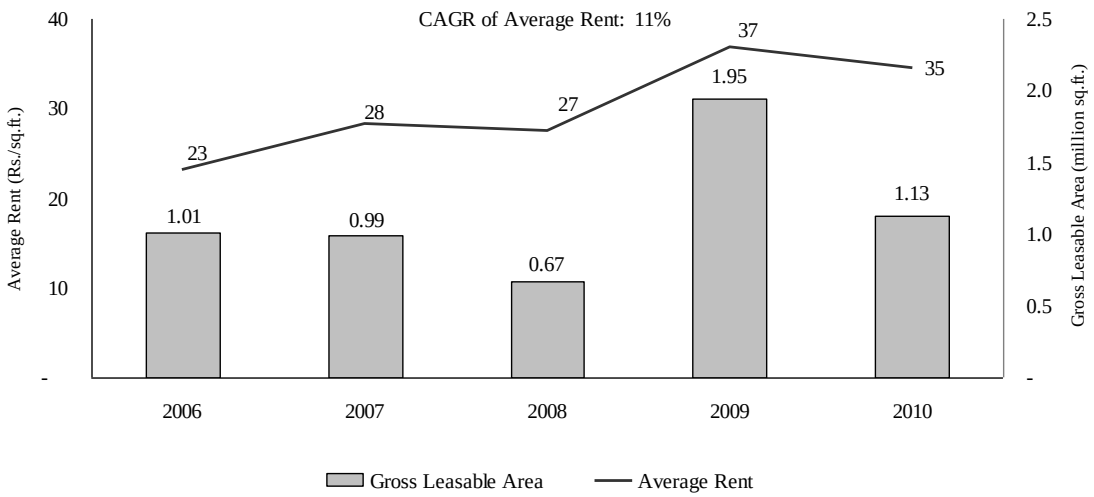
The following graph depicts the percentage of Gross Leasable Area leased at *Manyata Embassy Business Park* where the leased period is due to expire during the periods indicated:



Notes:
In many cases, the expiry of the lease is subject to the right of a tenant to extend the lease for one or two additional five-year terms. As a result, if tenants exercise their rights to renew such leases, the dates on which such leases actually expire may differ from the dates reflected in the following graph.

For a discussion of our standard lease agreements, see the section titled "*Real Estate Project Development and Execution Methodology – Project Handover, Completion and Post Completion*" on page 162.

The following graph sets forth the average rent per square foot of commercial space in *Manyata Embassy Business Park* for (i) leases entered into from 2004 through May 31, 2010 or (ii) letters of intent to lease space entered into as of May 31, 2010:



Notes:

1. *Average rent per square foot in a particular year is derived by dividing the total rent received per month for space for which a new lease agreement has been entered into in that year by the Gross Leasable Area of such space.*
2. *Rent received per month reflects the initial rental rate under a lease agreement without regard for any free rental periods or changes in rental rates over the duration of the lease.*
3. *In 2010, out of the 1.13 million sq. ft of the Gross Leasable Area leased, a total of 1.09 million sq. ft. of space has been committed to by tenants pursuant to letters of intent. We have not entered into lease agreements and have not begun to collect rent.*

Embassy TechZone, Pune

Embassy TechZone in Pune is located within Phase 2 of the Rajiv Gandhi Infotech Park, Hinjwadi, which was developed by the Maharashtra Industrial Development Corporation.

The business park is situated in close proximity to the Mumbai-Pune expressway and is easily accessible from the city centre. The business park comprises a Developable Area of 7.54 million sq. ft., on a 68.03 acre land parcel, of which our Economic Interest is 3.77 million sq. ft. 42.30 acres of the business park are notified as a Special Economic Zone and 26.73 acres are notified under the domestic tariff regime. The

business park has been designed by a professional team which comprised architects, engineers, environment consultants, traffic consultants, lighting consultants, landscape designers.

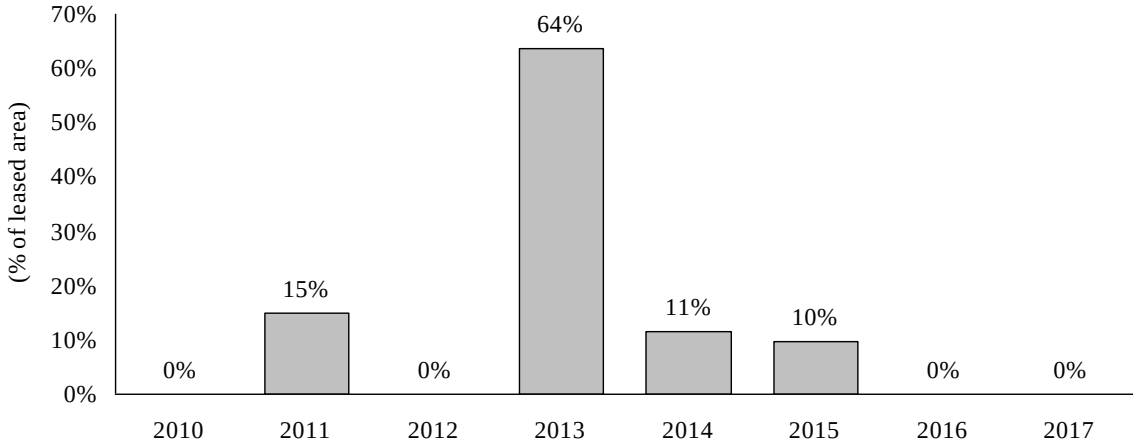
As of April 30, 2010, 0.95 million sq. ft. of Developable Area of the business park was operational, with a further 1.64 million sq. ft. presently under construction.

The business park houses tenants such as IBM, Atos Origin, Synechron, Geometric and Mahindra Engineering. *Embassy TechZone* benefits from facilities such as a multi-cuisine food court, visitors' car parking, 24-hour ambulance service, ATMs, and a training centre.

The following table sets out the details of certain key tenants, as at April 30, 2010:

No.	Client	Gross Leasable Area (in sq. ft.)
1.	IBM	298,437
2.	Synechron	193,102
3.	Geometric	137,385
4.	Atos Origin	115,197
5.	Mahindra Engineering	27,718
	TOTAL	**771,839**

The following graph depicts the percentage of Gross Leasable Area leased at *Embassy TechZone*, in Pune, where the leased period is due to expire during the periods indicated:



Notes:
In many cases, the expiry of the lease is subject to the right of a tenant to extend the lease for one or two additional five-year terms. As a result, if tenants exercise their rights to renew such leases, the dates on which such leases actually expire may differ from the dates reflected in the following graph.

For a discussion of our standard lease agreements, see the section titled "*Real Estate Project Development and Execution Methodology – Project Handover, Completion and Post Completion*" on page 162.

OUR INTERNATIONAL REAL ESTATE DEVELOPMENT OPERATIONS

Malaysia - MKN Embassy TechZone

We have entered into a joint venture with Azikaf Sdn Bhd ("**Azikaf**"), a member of the Emkay Group, of Malaysia for the development of *MKN Embassy TechZone*, a business park being developed in Cyberjaya, Malaysia. This business park constitutes our first real estate development outside of India. This business park is located within the area known as Cyberjaya, a 17,000 acre area set aside by the government of Malaysia for the purposes of promoting the IT/ITeS industries in Malaysia. Cyberjaya is designated as part of the Multimedia Super Corridor, which brings a number of benefits to its occupants, including a digital communications infrastructure designed to meet international standards in capacity, reliability and pricing, as well as financial incentives such as, a pioneer status (which is a 100% exemption from taxable statutory income) for a period of five years and a 100% investment tax allowance.

This business park is situated on a 47.62 acre area of land, and will have a total Developable Area of 4.58 million sq. ft., of which our Economic Interest will be 1.83 million sq. ft. 1.3 million sq. ft., of Developable Area comprising 5 blocks, has been completed and sold, while 0.75 million sq. ft. comprising 3 blocks, is still under construction.

For a further description of our joint venture agreement with Azikaf, see the section titled "*History and Corporate Structure - Our Associates – MKN Embassy Development Sdn Bhd*" on page 214.

Serbia - Embassy TechZone, Serbia

We are developing *Embassy TechZone, Serbia* a business park being developed in Indjija, Serbia. As a result of our strong execution track record, the Municipality of Indjija (the "**Municipality**") selected us to develop an IT park on 123.27 acres of land to be provided by the Municipality. Upon our completion of 250,000 sq. ft., the Municipality has expressed an intention to grant a further 420 acres of land to the business park.

We have expanded into eastern Europe as a result of the opportunities we believe exist for companies to outsource IT/ITeS services. Microsoft, for example, has established a research and development facility in Belgrade. The Serbian Government is encouraging foreign investment and expansion of the IT/ITeS industry, and has been supportive in providing land for development, and tax concessions applicable for trade free zones.

This business park will have a total Developable Area of 1.00 million sq. ft., of which our Economic Interest will be 0.90 million sq. ft. The first phase of the business park will comprise a Developable Area of 0.25 million sq. ft. Construction of *Embassy TechZone, Serbia* is expected to commence by the end of 2010, subject to the receipt of zoning approvals.

For a further description of our agreement with the Municipality, see the section titled "*Material Agreements – Joint Venture Agreements*" on page 658 and the section titled "*History and Corporate Structure – Details of our Subsidiaries – Other Subsidiaries – Embassy Techzones d.o.o. Beograd*" on page 208.

Our status as registered owner of the land is conditional and such land could be restituted by a court if we default in the performance of our obligation to timely commence and complete development of the first phase of the business park. For further details, see the section titled "*Risk Factors – Risks relating to our business - We do not have marketable title to the land on which we intend to develop a business park in Serbia. We are currently in breach of the agreement pursuant to which we are developing the land, and our status as registered owner of the land may be revoked*" on page xviii.

OUR STRATEGIC PARTNERS

MK Land

We have a joint venture agreement with MK Land, Malaysia. Through our partnership with MK Land, we intend to develop affordable housing projects in India. MK Land is a major property developer in Malaysia. MK Land has a diversified portfolio of projects, which includes affordable housing, lifestyle living, commercial development, resort, a water theme park and property investment. (*Source: www.mkland.com*)

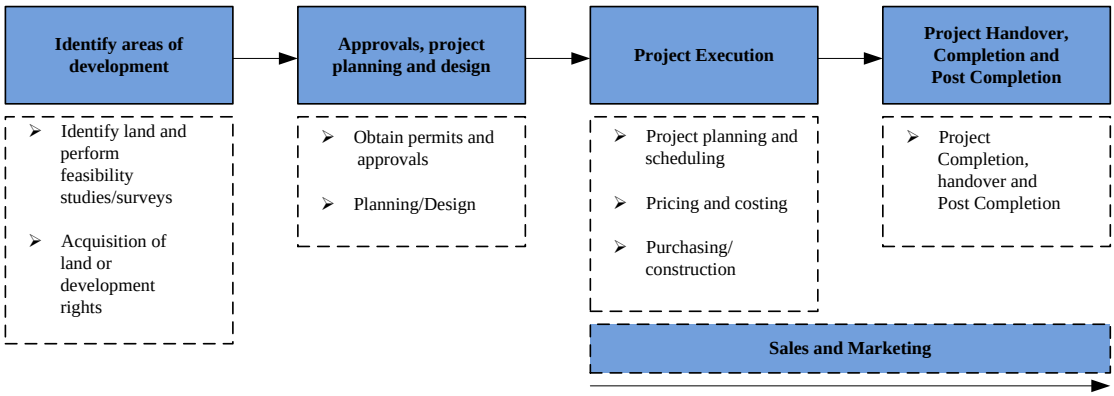
Emkay Group

We have a joint venture with Azikaf Sdn Bhd ("**Azikaf**"), a member of the Emkay Group, of Malaysia, for the development of *MKN Embassy TechZone*, a business park being developed in Cyberjaya, Malaysia, which constitutes our first real estate development outside of India. The Emkay Group is active in residential, commercial, resort and ICT developments. Major developments of the Emkay Group include: NeoDamansara in Damansara Perdana; NeoCyber, *MKN Embassy TechZone* and *Bangunan Mustapha Kamal* in Cyberjaya; and the *Pulau Banding Development Project* in Tasik Temengor, Gerik, Perak.

For further details of our strategic or financial partners, see the section titled "*History and Corporate Structure – Strategic or Financial Partners*" on page 204.

REAL ESTATE PROJECT DEVELOPMENT AND EXECUTION METHODOLOGY

We have adopted a systematic methodology for the process of our real estate developments, (within and outside India) and which can be divided into the following distinct activities:



1. Identification of potential areas of development

We view the ability to assess the potential of a location after evaluating its demographic trends as the most crucial aspect of our real estate development business. We rely on our experience and the ability of our

senior management to evaluate potential project locations. We also use our experience to evaluate locations where we can gain a first mover advantage. For instance, we believe we are one of the first Indian real estate development companies to have projects in Malaysia and Serbia. The process of land identification starts with selecting an appropriate area which has growth potential. This is done by our projects research team which gathers market data on prospects while selecting an area for development. We also take the views of local real estate marketing professionals. Thereafter, 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 population of the location, (b) the growth prospects of the towns in terms of trade and industry, (c) the physical and geological characteristics of the site, and (d) cost of construction and expected timetable for development required for the project. The next step, after area identification, involves identifying the type of project to be undertaken in that particular area and deciding the scale of the project. Typically, decisions at this stage involve examining the viability of developing commercial or residential projects on the identified project site. We also conduct a financial analysis during this phase to assess the returns we can expect to generate from the potential project. The final decision on the location, nature, financial feasibility and scale of each project is taken by our senior management.

2. Acquisition of title and/or development rights of land

Rights for the purchase of land primarily depend upon the prevalent laws and regulations governing the proposed location of the proposed project. We acquire land or development rights over land through one, or a combination, of the following alternatives:

(i) Purchase of land directly from title holders

For certain projects, we purchase land directly from title holders. We are particular about formalizing the transfer of title and due recording of such transfer in the appropriate land records. We execute conveyance deeds in respect of such properties in order to acquire clear title to the property.

We also acquire land (a) through the government tendering process from the government and related developmental authorities, and (b) directly from private parties. In addition, we enter into arrangements with other parties who procure land and make arrangements with title holders to purchase their land at identified locations. Under these arrangements, and in addition to the purchase consideration for sale of land, we may pay these other parties a pre-determined amount for the provision of their services in identifying and procuring land for us and obtaining the necessary approvals, dependent on the terms and conditions of the agreement.

In cases where development is planned on agricultural land, conversion to non-agricultural land is required. We may (a) either acquire the land and apply for conversion, or (b) ensure that the title holder applies for such conversion, or (c) in the event there are minimum area requirements for the application for conversion from agricultural land to non-agricultural land, applications may be made jointly by us and the title holders and upon the receipt of the permission for change in use of land, the land and permission for conversion may be transferred to us at our option or the land may be developed by us in arrangement with the title holders.

(ii) Acquisition of development rights

As part of our business model, we generally acquire the right to develop properties in collaboration or through a joint venture with third parties or associates. These counterparties continue to be title holders of the land. In accordance with the terms of the agreements with such counterparties, typically, the project is conceived, developed and marketed by us.

When we acquire development rights in collaboration/joint ventures with independent third parties, we generally enter into one of the following arrangements with such third parties: (a) Area sharing arrangements: where we agree to share a percentage of our Economic Interest in the project with the partner, and which is determined on the basis of commercial arm's length negotiations, the agreed terms of which are set forth under a joint development agreement; (b) Revenue sharing arrangements: where we agree to share a percentage of the sale proceeds/revenue of the project with the partner, and which is determined on the basis of commercial arm's length negotiations, the agreed terms of which are set forth under a joint development agreement.

We also make interest free advances to Subsidiaries to acquire land identified by us for development of real estate projects.

(iii) Allotment by Government Authorities

We also acquire land on a lease-cum-sale basis on or an exclusive leasehold basis (for periods which typically vary between 11 to 95 years) with the appropriate development authority. Once the land is purchased or leased by us, we develop the land into residential or commercial projects accordingly. We have acquired a significant amount of land for the projects from such governmental authorities in several towns and cities including Bangalore, Serbia and Pune. We develop this land in accordance with the approvals and prescribed usages from governmental authorities. An advantage of acquiring land in this way is that it is typically free from any defects of title, the land use and pattern of development is pre-determined and the time required for obtaining approvals is reduced, thereby resulting in an early launch of the project. Upon achieving specific development milestones, the lease is transferred to the Company.

We also acquire land on leasehold basis from private parties for periods which typically vary between 30 to 99 years.

Our legal and liaison team coordinates the acquisition process in consultation with our external legal advisers, and principally to ensure that there is clear title on the acquisition of property, and that any such acquisition is properly documented under local laws.

3. Evaluation of applicable laws and obtaining requisite approvals

To determine the feasibility of an area for the implementation of a project, we believe that it is imperative to understand the legal regime governing land development in the location, which varies from state to state. We also evaluate the factors which affect obtaining of the approvals required for the implementation of the project. The approvals generally required for a real estate development project include approvals for conversion of agricultural land to non-agricultural land, where applicable, approvals of lay outs and approvals for certain infrastructure facilities such as power and water. For example, constructing individual buildings requires a building plan. Similarly, approvals from the fire authorities are required for buildings above a certain stipulated height. Building completion certificates are obtained from the appropriate authorities after the projects have been completed in accordance with applicable law. For details of the

applicable legal regime, see section titled *"Regulations and Policies"*. Our legal and liaison team coordinates the approval process in consultation with our external legal advisers.

4. Financing

Upon approval of the feasibility study for a project by our senior management, we work to arrange the necessary financing for the project. Historically, we have financed our projects through (i) cash from operations; (ii) sale of equity shares of our Subsidiaries or associates; and (iii) debt financing through bank loans and issuances of non-convertible debentures. For our projects that we develop in collaboration with third parties, such third parties also invest equity capital in the special purpose vehicles setup to develop these projects.

5. Design, Construction and Project Management

We outsource the designing and planning of our projects to RSP Design Consultants (India) Private Limited, Team Two and Synergy, which are leading architectural firms with whom we have long-standing relationships. The architects and structural consultants engaged by us are specific to a particular project and are drawn from a pool of designers and architects. The planning department and/or the architect appointed by us provide the structural design of the project as well as the estimates of the requirements for manpower, materials, machinery. Our Chairman, in particular, involves himself in selecting the design for a project, and remains involved in approving all aspects of the selected design. Where the project is a fit-out development, we retain the services of Synergy, which assists us in providing our clients with a choice of specific fit-out configurations. Our client participates in the procurement of the necessary materials required to implement the selected fit-out configuration.

Once the design and the estimates for the project have been finalized, we set up a project monitoring team under the supervision of a site engineer who is the central co-coordinating person, and who reports to our senior management. The purchase of materials is centralized and is based on the estimates given by the planning division or the architect, as the case may be. The procurement and contract management function is outsourced to project management firms, and is based on the approved budgets and monitored by our business development team and senior management.

For our projects, we enter into service and supply agreements. We are not dependent on any single contractor, builder or supplier for our construction activities. Our principal raw materials include steel, cement, wood and aluminum which are purchased by our contractors. For steel and cement, contractors pass through those costs to us. For other raw materials, the contractors purchase them and provide us with a fixed cost for all their services. Bills are cleared by our team to make sure prices billed are fair. Thus far, we have not faced any significant delays or shortages in the supply of raw materials for our projects.

We outsource the project management function for our developments to specialist project management firms such as Synergy, with whom we have a long-standing relationship. These firms ensure that the development is conducted according to our specifications, and within the predetermined cost and time parameters. These project managers also provide use with regular updates on the progress of a particular project, from the budgeting stage to hand-over. We believe that this model of dealing with independent project management firms helps us to leverage off of their specialized project management experience, expertise and manpower.

We also provide other project related services such as client specific fit outs on open book basis with client participating in procurement.

6. Project Hand-Over, Completion and Post Completion

On completion of construction, a property manager, Embassy Services Private Limited, provides property management services such as security, housekeeping, transportation services and equipment maintenance .

We transfer the title, or leasehold rights, as the case may be, to our customer. Generally we ensure that the entire consideration is paid to us prior to the transfer of title, in the case of sales, or handing over of possession, in case of leasehold properties. Generally, we receive 25-30% of the purchase price at the time of booking, 65-70% through equal installments over the one-two year construction period prior to handing over possession and 5-10% at the time of handing over possession. In cases where we lease our projects to our clients, we typically enter into a five year lease agreement, with an option for the tenant to renew for two additional five year periods. Under these lease agreements, our client is typically locked into the entire lease period of five years or for the first three years thereof. The lease agreement also typically provides for pre-agreed escalations in rental payments every three years, or in some cases, on an annual basis. Where we have conducted a fit-out of the project we lease, the cost of the fit-out is factored into the rental amount. Once we have completed the fit-out, our client is responsible for any subsequent maintenance or repairs required to be made.

As part of our leasing process, deposits are collected as per the terms of the leasing agreement. Typically, a 50% of the deposit required is collected upon signature of the lease agreement and the balance when the tenant takes occupation. The amount of the deposit ranges from six to 15 months' rent. The initial project deposit is held in escrow until the building is completed.

We have a system for generating bills for collections of rentals and installments on a periodic basis (depending on the agreed schedule for purchase price installments or rental payments). This system has reminders which are issued if payments are delayed and will include interest on due on late payments.

Substantially all of our rentals from Completed Projects are securitized to banks. Accordingly all applicable rental payments go directly to the banks.

For further details on our asset management services, see the section titled "*Our Business – Project Development Services, Asset Management Services and Property Management Services*" on page 154.

SALES AND MARKETING

Our sales and marketing team is comprised of separate teams for our residential and commercial portfolios. We have a dedicated in-house sales and marketing team which focuses on the sales of residential and commercial projects and the leasing of commercial and retail projects.

In addition to its principal sales and marketing function, our in-house sales and marketing team also focuses on developing our existing customer relationships and establishing new relationships with potential clients. We also generate new sales and leases through our established relationships with local property brokers and international property consulting firms.

COMPETITION

We operate in highly competitive markets, and competition in these markets is based primarily on the availability and cost of land. To remain competitive, we strive to reduce costs of construction and development and improve operating efficiencies. We also face competition from companies in bidding for new property development projects.

The real estate development sector is still largely fragmented in India. Among the few organized entities in this sector, our chief competitors in south India are large commercial developers such as RMZ Corp, DLF Limited, K Raheja Corp, Magarpatta City, Panchshil Group, Shyamaraju & Company (India) Pvt. Ltd. (Divyasree) and our competitors in the residential sector are Brigade Enterprises Limited, Puravankara Projects Limited, Prestige Estates Projects Limited, Sobha Developers Limited and Mantri Developers Pvt. Ltd.

Competition to lease commercial real estate is driven primarily by the location of the development and the pricing of rentals.

Similar competitive factors affect our operations in Malaysia and Serbia.

EMPLOYEES

As at April 30, 2010, we had 106 employees consisting of finance, marketing, legal and administrative and non-technical staff. 78 of these employees are core.

We do not take into count any manpower employed by our sub-contractors in calculating our personnel members. We expect that human resources and employee recruitment activities will increase as our business grows.

We believe that our employees are key contributors to our business success. We make a concerted effort to provide training and development to newly hired professionals in order to maximise the performance of our employees. Our work force consists of (i) our permanent employees, (ii) consultants who we engage on a contractual basis to assist in the architectural and structural design of our projects, and (iii) contractors who are engaged by us on a contractual basis and who employ laborers to work at project sites. In order to engage contract laborers for projects sites we are required to be registered under certain regulations. For further details see the section titled *"Risk Factors – Risks relating to our business - Our business is subject to extensive government regulation, within and outside India"* on page xxix.

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

INSURANCE

All our real estate developments are insured for standard fire and special perils, earthquake and terrorism damage coverage policies, property damage, money-transit, fidelity guarantee and statutory employee liability insurance, consistent with industry practice in India. There are no significant or unusual excess or deductible amounts required under such policies. We are also required by certain agreements to obtain insurance coverage for our buildings and premises.

INTELLECTUAL PROPERTY

The brand and trademark "Embassy" which includes the associated logo, as appearing on the cover page, is licensed to our Company, Subsidiaries and our Group Companies by Embassy Shelters Private Limited. By an agreement dated March 20, 2010, Embassy Shelters Private Limited has granted our Company the non-exclusive and sub-licensable right to use the trademark and logo in the ordinary course of our business

upon a payment of licence fee of Rs. 100,000 per year. Currently, the trademark “Embassy” including the associated logo is registered only for use in printed material and stationary. An application for the use of our trademark in relation to real estate services and construction of buildings is currently pending with the Registrar of Trademarks. For further details see the section titled "*Risk Factors – Our brand "Embassy" is owned by Embassy Shelters Private Limited and licensed to our Company, and we have not obtained registration of our trademark, which may affect our business operations*" on page xxxix.

INFORMATION TECHNOLOGY

We have incorporated modern software systems in our businesses and operations. In addition to standard software systems for word processing, providing secure access to applications and content from clients and other systems used by our employees, we have recently implemented a customised ERP solution provided by Ascent Consulting Services Pvt. Ltd. to manage our financial and procurement functions.

CORPORATE SOCIAL RESPONSIBILITY

We place emphasis on social and community service. We have undertaken various non-profit initiatives to contribute to Bangalore's local community. Our initiatives include –

- The construction of a *Kalyana Mantapa* (a traditional marriage hall) at Addiganahalli Village, Bangalore North, for the purposes of conducting free marriage ceremonies;
- We are funding the construction of a government school in the Tarahuse village. The school will have a total built-up area of 37,500 sq. ft. and is expected to be completed by July 2010; and
- We provide financial support to environmentally-friendly initiatives taken up by the residents' associations of our residential projects, such as the rain water harvesting (see the section titled *"Our Real Estate Development Business – Our Residential Portfolio – Ongoing Projects*").

OUR OFFICE PROPERTY

Our registered and corporate office is located at First Floor, Embassy Point, 150, Infantry Road, Bangalore 560 001. We have leased this property from our promoter, Jitendra Virwani, pursuant to a lease deed dated November 3, 2003 and a letter dated July 28, 2009, for a period of two years from July 31, 2009 at a monthly rent of Rs. 325,559. We also have an office at Cerebros Menna Kampala Arcade, Block No. 113, T. Nagar, Chennai which is leased to us by A. Haleela for a period of three years from March 1, 2010 pursuant to a lease deed dated March 25, 2010 at a monthly rent of Rs. 121,275.

LITIGATION

For further information on material litigation involving our Company, see the section titled "*Outstanding Litigation and Material Developments*" on page 503.

OUR LAND RESERVES

Our Land Reserves are lands to which our Company and/or our Subsidiaries or other entities in which we have a stake, have title, sole development rights, development rights or other interest. These also include lands from which our Company can derive economic benefits through a documented framework or lands in relation to which our Company and/or our Subsidiaries or other entities have executed a joint development agreement or an MOU to enter into a joint development agreement or an agreement to sell and does not include lands over which our Completed Projects are situated.

As of June 30, 2010, our Land Reserves aggregated to approximately 1,326.16 acres and the estimated Developable Area in relation to our Land Reserves is 136,586,965 sq.ft.

Our Land Reserves are located in and around Bangalore, Chennai, Cochin, Coimbatore, Coorg, Pune, Serbia and Malaysia.

The following is a summary of our Land Reserves as of June 30, 2010:

Sl. No.	Land Reserves (Category wise)	Acreage (in acres)	% of Total acreage	Estimated Developable Area (in sq.ft.)*	% of Developable Area
(i)	**Land owned by us**				
	1. By itself	15.89	1.20	2,170,814	1.59
	2. Through its Subsidiaries	281.59	21.23	17,574,866.47	12.87
	3. Through entities other than (1) and (2) above	Nil	Nil	Nil	Nil
(ii)	**Land over which we have sole development rights**				
	1. Directly by the Company	Nil	Nil	Nil	Nil
	2. Through its Subsidiaries	128.58	9.70	19,820,660	14.51
	3. Through entities other than (1) and (2) above	Nil	Nil	Nil	Nil
(iii)	**Memorandum of Understanding/ Agreements to Acquire/ Letters of Acceptance to which the Company and/or its Subsidiaries and/or its associate entities are parties, of which:**				
	1. Land subject to government allocation	15	1.13	Nil	Nil
	2. Land subject to private acquisition	281.26	21.21	26,113,075.53	19.12
(A)	*Sub-total (i)+(ii)+(iii):*	*722.32*	*54.47*	*65,679,416*	*48.09*
(iv)	**Land for which joint development agreements have been entered into by:**				
	1. By the Company directly	17.28	1.30	3,475,646	2.54
	2. Through the Subsidiaries	Nil	Nil	Nil	Nil
	3. Through entities other than (1) and (2) above	Nil	Nil	Nil	Nil
(v)	**Proportionate interest in lands owned indirectly by the Company through joint ventures**	586.56	44.23	67,431,903	49.37
(B)	*Sub-total (iv)+(v):*	*603.84*	*45.53*	*70,907,549*	*51.91*
(C)	**Total (i)+(ii)+(iii)+(iv)+(v):**	**1,326.16**	**100**	**136,586,965**	**100**

**As per architect certificates dated July 6, 2010 by RSP Design Consultants (India) Private Limited (membership No. CA/90/13498) and Team-2 Architects & Consulting Engineers (membership No. B.C.C./B.L./3.2.3/A-772/97-98).*

(i) Land owned by us

(i).1 By Itself:

Approximately 15.89 acres, located in and around Bangalore, constituting 1.20 % of the total Land Reserves, are registered in our name through various sale deeds and we hold valid title to these lands. Of the said lands, we plan to develop approximately 2,170,814 sq. ft. of Developable Area.

(Rs. in million)

Sl. No.	Project Name	Location of Land	Date of Agreement	Seller(s)	Total Area (in acres)	Total Value	Amount paid as on June 30, 2010	Amount payable as on June 30, 2010
1.	Embassy Grove	Bangalore	Two agreements respectively dated May 22, 2009	Rustham Kothwala, Behroz Batha and others	7.93	224.73	224.73	Nil
2.	Embassy TechSquare	Bangalore	April 29, 2005 and rectification deed dated December 17, 2007	Cessna Garden Developers Private Limited	7.96	50.30	50.30	Nil
				TOTAL	**15.89**	**275.03**	**275.03**	**Nil**

(i).2 Through its Subsidiaries:

We own a total of 281.59 acres in the name of our Subsidiaries amounting to a total of 21.23 % of our Land Reserves which are located in and around Bangalore, Cochin and Serbia the details of which are set out in the table below. Of the said lands, we plan to develop approximately 17,574,866.47 sq. ft. of Developable Area.

(Rs. in million)

Sl. No.	Project Name	Location of Land	Date of Agreement	Seller(s)	Land Owner	Total Area (in acres)	Total Value	Amount paid as on June 30, 2010	Amount payable as on June 30, 2010
1.	Integrated Township	Bangalore	Various agreements	Various sellers	Nam Estates Private Limited	105.40[1]	30.66	30.66	Nil
2.	Integrated Township	Bangalore	Various agreements	Various sellers	Swire Investments Private Limited	35.23[2]	18.67	18.67	Nil
3.	Embassy Residency	Cochin	Various agreements	Various sellers	Blue Lagoon Real Estate Private Limited	13.88	234.20	234.20	Nil
4.	Embassy Residency	Cochin	Various agreements	Various sellers	Neptune Real Estate Private Limited	3.81	64.22	64.22	Nil

Sl. No.	Project Name	Location of Land	Date of Agreement	Seller(s)	Land Owner	Total Area (in acres)	Total Value	Amount paid as on June 30, 2010	Amount payable as on June 30, 2010
5.	Embassy TechZone, Serbia	Serbia	Purchase Agreement dated July 22, 2008, Co-operation agreement dated July 18, 2008 and Debt Assumption Agreement dated July 22, 2008	Agricultural Cooperative of Inđija	Embassy Techzones d.o.o. Beograd	123.27	30.28[3]	30.28	Nil
					TOTAL	**281.59**	**378.03**	**378.03**	**Nil**

1. *For details of litigations in relation to the lands owned by Nam Estates Private Limited, please refer to "Outstanding Litigation and Material Developments" at page 508.*

2. *For details of litigations in relation to the lands owned by Swire Investments Private Limited, please refer to "Outstanding Litigation and Material Developments" at page 519.*

3. *I EURO = 60.56 INR, based on RBI reference rate as on March 31, 2010.*

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

We do not have any lands in this category.

As of June 30, 2010, we had paid a sum of Rs. 653.06 million towards the purchase of these lands in the category, 'Lands owned by us'. The materiality of the agreements in relation to land has been considered on the basis of 10 % or more of the aggregate agreement value of lands under each category. The material agreements in this category i.e., 'Lands owned by us' are as follows:

(Rs. in million)

Sl.No.	Project Name	Location of Land	Description and Date of Agreement	Parties to the Agreement	Total Value	Amount paid as of June 30, 2010	Amount Payable as of June 30, 2010	Sources of Funds
1.	Embassy Grove	Bangalore	Sale deed dated May 22, 2009	Company and Rustam Kothwala and others	196.38	196.38	Nil	Internal accruals
TOTAL					**196.38**	**196.38**	**Nil**	

The aggregate agreement value of the non-material agreements in the category, 'Lands owned by us'is Rs. 456.68 million.

(ii) Lands over which we have the sole development rights

Lands on which we have sole development rights are lands on which we have the complete right to carry out construction and development activities and receive the benefits from such activities.

(ii).1 Directly by the Company:

We do not have any lands in this category.

(ii).2 Through its Subsidiaries:

We hold sole development rights to approximately 128.58 acres of land located in and around Bangalore and Pune, through our Subsidiaries constituting 9.70% of the total Land Reserves. Of the said lands, we plan to develop approximately 19,820,660 sq. ft. of Developable Area.

(Rs. in million)

Sl. No	Project Name	City/ Location	Name of Subsidiary	Date of Agreement	Land Owner	Total Area (in acres)	Total Value	Amount paid as of June 30, 2010	Amount Payable as of June 30, 2010
1.	Embassy TechZone	Pune	Pune Embassy Projects Private Limited	Deed of assignment dated September 29, 2008; lease deed dated May 23, 2006 and letter dated May 31, 2007 issued by MIDC	MIDC	51.57	642.48	642.48	Nil
2.	Embassy TechZone	Pune	Pune Dynasty Projects Private Limited	Deed of assignment dated September 24, 2008; lease deed dated May 23, 2006 and letter dated May 31, 2007 issued by MIDC	MIDC	16.46	243.33	243.33	Nil
3.	Embassy TechZone	Bangalore	Concord India Private Limited	Lease cum sale agreement June 7, 2007 and rectification deed dated April 21, 2008	KIADB	60.55[1]	392.74	392.74	Nil
					TOTAL	**128.58**	**1,278.55**	**1,278.55**	**Nil**

1. Concord India Private Limited has entered into a sale cum lease agreement with Nuziveedu Seeds Limited in respect of 18 acres of land out of the entire 78.55 acres.

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

We do not have any lands in this category.

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

(Rs. in million)

Sl. No.	Project Name	Location of Land	Description and Date of the Agreement	Parties to the Agreement	Total Value	Amount paid as of June 30, 2010	Amount payable as of June 30, 2010	Sources of Funds
1	Embassy TechZone, Pune	Pune	Deed of assignment dated September 29, 2008; lease deed dated May 23, 2006 and letter dated May 31, 2007 issued by MIDC	Pune Embassy Projects Private Limited, MIDC and the Company	642.48	642.48	Nil	Internal accruals
2	Embassy TechZone, Pune	Pune	Deed of assignment dated September 24, 2008; lease deed dated May 23, 2006 and letter dated May 31, 2007 issued by MIDC	Pune Dynasty Projects Private Limited, MIDC and the Company	243.33	243.33	Nil	Internal accruals
3	Embassy TechZone, Bangalore	Bangalore	Lease cum sale agreement June 7, 2007 and rectification deed dated April 21, 2008	Concord India Private Limited and KIADB	392.74	392.74	Nil	Internal accruals
	TOTAL				**1,278.55**	**1,278.55**	**Nil**	

All the agreements in relation to the land under this category i.e., 'Lands over which we have the sole development rights' are material agreements.

(iii) Memorandum of Understanding/ Agreements to Acquire/ Letters of Acceptance to which the Company and/or its Subsidiaries and/or its Associate entities are parties, of which:

(iii).1 Land subject to government allocation:

Our Associate, Manyata Promoters Private Limited has been allotted 15 acres of land by KIADB. The letters of allotment issued by KIADB in respect of the allotted land will be followed by the execution of definitive documents such as lease cum sale agreements or other agreements. Approximately 15 acres, located in Bangalore constituting 1.13% of the total Land Reserves are held under this category.

(Rs. in million)

Sl. No.	Project Name	City/location	Date of Letter of Allotment	Allotee	Total Area (In acres)	Total Value	Amount paid as on June 30, 2010	Amount payable as on June 30, 2010
1.	Manyata Embassy Business Park	Bangalore	March 8, 2007	Manyata Promoters Private Limited	3.7	42.59	42.59	Nil
2.	Manyata Embassy Business Park	Bangalore	May 14, 2010	Manyata Promoters Private Limited	11.3	127.63	127.63	Nil
					15	**170.22**	**170.22**	**Nil**

(iii).2 Land subject to private acquisition:

Our Subsidiary, Saphire Realtors Private Limited has entered into an agreement to sell with the owners of the lands for the purposes of development or purchase of land. This agreement to sell is intended to be followed by the execution of definitive documents such as sale deeds, development agreements or other agreements.

Approximately 281.26 acres, located in Bangalore constituting 21.21% of the total Land Reserves are held under this category. The details of the same are set out in the table below. Of the said lands, we plan to develop approximately 26,113,075.53 sq. ft. of Developable Area.

(Rs. in million)

Sl. No.	Project Name	City/location	Date of the Agreement	Purchaser	Total Area (in acres)	Total Value	Amount paid as on June 30, 2010	Amount payable as on June 30, 2010
1.	Embassy Knowledge Park	Bangalore	October 27, 1994 and October 28, 1994	Saphire Realtors Private Limited	204.10	79.46	79.46	Nil
2.	Integrated Township	Bangalore	Various agreements	Nam Estates Private Limited	55.58	107.71	104.38	3.33
3.	Integrated Township	Bangalore	Various agreements	Swire Investments Private Limited	21.58	16.25	14.96	1.29
				TOTAL	**281.26**	**203.42**	**198.80**	**4.62**

As of June 30, 2010, we had paid a sum of Rs. 369.02 million towards the purchase of these lands under the category 'Memorandum of Understanding/ Agreements to Acquire/ Letters of Acceptance to which the Company and/or its Subsidiaries and/or its Associate entities are parties'.

The materiality of the agreements in relation to land has been considered on the basis of 10% or more of the aggregate agreement value of lands under each category. The material agreements in this category i.e., 'Memorandum of Understanding/ Agreements to Acquire/ Letters of Acceptance to which Company and/or its Subsidiaries and/or its Associate Entities are parties' are as follows:

(Rs. in million)

Sl. No.	Project Name	Location of Land	Date of Agreement	Parties to the Agreement	Total Value	Amount paid as of June 30, 2010	Total payable as of June 30, 2010	Sources of Funds
1.	Manyata Embassy Business Park	Bangalore	Possession certificate dated May 19, 2010 and allotment letter dated May 14, 2010	KIADB and Manyata Promoters Private Limited	42.59	42.59	Nil	Internal accruals
2.	Manyata Embassy Business Park	Bangalore	Possession certificate dated March 29, 2007 and letter dated March 28, 2007	KIADB and Manyata Promoters Private Limited	127.63	127.63	Nil	Internal accruals
3.	Embassy Knowledge Park	Bangalore	Agreement for sale dated October 27, 1994 and a power of attorney dated June 18, 1997 has also been executed by Southern Paradise in favour of our Promoter, Jitendra Virwani and/or Vandana Virwani	Saphire Realtors Private Limited and Southern Paradise Stud and Developers Farms Private Limited	79.46	79.46	Nil	Internal accruals
TOTAL					**249.68**	**249.68**	**Nil**	

The aggregate agreement value of the non-material agreements in this category, 'Memorandum of Understanding/ Agreements to Acquire/ Letters of Acceptance to which the Company and/or its Subsidiaries and/or its Associate entities are parties' is Rs. 123.96 million.

(iv) Lands in respect of which we have entered into joint development agreements:

We have entered into joint development agreements directly with land owners who grant us permission to develop and sell/lease our portion of the developed plot in one or several parts. Under certain of these joint development agreements, we are required to pay a refundable/non refundable deposit to the owner of the land.

(iv).1 <u>By the Company directly</u>:

We are engaged in the development of approximately 28.09 acres, of which our economic interest amounts to 17.28 acres, located in and around Bangalore. Lands held in this category constitute 1.30% of the total Land Reserves. Of the said lands we plan to develop approximately 3,475,646 sq. ft. of Developable Area.

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

(Rs. in million)

Sl. No.	Project Name	City/ Location	Date of the Agreement	Land held by	Total Value	Amount paid as of June 30, 2010	Amount payable as of June 30, 2010	Total Area (in acres)	Economic ownership of our Company (in %)	Economic interest Area (in acres)
1.	Embassy Pristine	Bangalore	April 4, 2005 and supplementary	Mahesh Reddy and others	45	45	Nil	14	67	9.38

Sl. No.	Project Name	City/ Location	Date of the Agreement	Land held by	Total Value	Amount paid as of June 30, 2010	Amount payable as of June 30, 2010	Total Area (in acres)	Economic ownership of our Company (in %)	Economic interest Area (in acres)
			agreement dated June 2, 2010							
2.	Embassy Mall	Bangalore	October 28, 2005 and Supplementary agreement dated October 28, 2005	Y.R Anil and Kalpana	20	20[1]	Nil	3.75	50	1.88
3.	Embassy Galaxy Mall	Bangalore	March 4, 2005 and Supplementary agreement dated June 12, 2008	Sufia Bakhi and others	10.5	10.5	Nil	1.10	38.33[2]	0.42
4.	Embassy Orchard	Bangalore	December 15, 2005	K.B. Ramachandra Raje Urs and others	2.5	2.5	Nil	0.99	50	0.50
5.	Embassy Vogue	Bangalore	March 7, 2008 and Supplemental agreement dated March 7, 2008	Sanjay L. Kalro and others	40	30	10[3]	0.192	50	0.10
6.	Embassy Residency, Bangalore	Bangalore	June 30, 2010	Saltire Developers Private Limited	100	100	Nil	8.06	62	5
				TOTAL	**218**	**208**	**10**	**28.09**	**Nil**	**17.28**

1. *This amount paid is non refundable.*

2. *Based on a blended rate of 40% for ground-third floors, 35% for the remaining floors and 40% for the car parking space in accordance with supplemental agreement dated June 12, 2008.*

3. *Rs. 10 million to be paid within 30 (thirty) days from the owners securing court permission for sale of the minor's share in the property forming subject matter of the joint development agreement dated March 7, 2008 and executing a power of attorney for sale etc. of the minor's share.*

(iv).2 Through the Subsidiaries:

We do not have any lands in this category.

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

We do not have any lands in this category.

As of June 30, 2010, we had paid a sum of Rs. 208 million towards deposits and other payments in relation to these lands under the category, 'Lands in respect of which we have entered into joint development agreements'.

The materiality of the agreements in relation to land has been considered on the basis of 10% or more of the aggregate agreement value of lands under each category. The material agreements in this category i.e., 'Lands in respect of which we have entered into joint development agreements' are as follows:

(Rs. in million)

Sl. No.	Location of Land	Date of Agreement	Parties to the Agreement	Project Name	Total Value	Amount Paid as of June 30, 2010	Amount Payable as of June 30, 2010	Sources of Funds
1.	Bangalore	April 4, 2005 and supplementary agreement dated June 2, 2010	Mahesh Reddy and others and the Company	Embassy Pristine	45	45	Nil	Internal accruals
2.	Bangalore	March 7, 2008 and supplementary agreement dated March 7, 2008	Sanjay L. Kalro and others and the Company	Embassy Vogue	40	30	10	Internal accruals
3.	Bangalore	June 30, 2010	Saltire Developers Private Limited and the Company	Embassy Residency, Bangalore	100	100	Nil	Internal accruals
	TOTAL				**185**	**175**	**10**	

The aggregate agreement value of the non-material agreements in this category i.e., 'Lands in respect of which we have entered into joint development agreements' is Rs. 33 million.

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

We also have interest in the following entities in whose names lands are held through various types of transfers. Thus, we have interest indirectly in such lands forming part of this category. Of the said lands, we plan to develop approximately 67,431,903 sq. ft. of Developable Area. Lands held in this category constitute 44.23% of the total Land Reserves.

The details of the entities in which we have a stake and through which we undertake construction and development activities are as follows:

Sl. No.	Project Name	Location of Land	Name of Developer	Our Economic Interest in the entity (in percent)	Total land (in acres)	Our economic interest (in acres)	Total Value	Amount Paid as of June 30, 2010	Amount Payable as of June 30, 2010
1.	Embassy Manor/ Embassy Techpoint	Bangalore	Swire Properties	50	6.8[1]	3.4	300	300	Nil
2.	Embassy Estates	Coorg	Trafalgar Estate and Properties Private Limited	50	1,035.77	517.89	125	125	Nil
3.	Embassy TechZone	Coimbatore	Span Ventures Private Limited	50	38.37	19.19	25.35	25.35	Nil
4.	Hilton Residence	Bangalore	Umbel Properties Private Limited	43.33	3.57[2]	1.55	92.28	92.28	Nil
5.	MKN Embassy	Malaysia	MKN Embassy	40	47.62	19.05	1,401.84[3]	1,401.84	Nil

	TechZone		Development Sdn Bhd						
6.	Manyata Embassy Business Park	Bangalore	Manyata Promoters Private Limited	33.88	63.06[4]	21.36	269.13	269.13	Nil
7.	Cinnabar Hills	Bangalore	G.V. Properties Private Limited	25	1	0.25	3.50	3.50	Nil
8.	Shell office block	Malaysia	Joyful Gateway Sdn Bhd	24	4.8	1.15	143.83[5]	143.83	Nil
9.	Embassy Residency (Chennai)	Chennai	RGE Constructions and Development Private Limited	10.87	25[3]	2.72	1,400	1,400	Nil
				TOTAL	**1,225.99**	**586.56**	**16,360.93**	**16,360.93**	Nil

1. *Our Company vide an agreement dated April 1, 2008 entered into with Swire Properties has invested Rs. 94.19 million in the project, 'Embassy Manor/Embassy Techpoint' as on April 2008 and have capped our proposed investment in the project at Rs. 200 million. The project is to be developed by contractors mutually decided by the parties to the aforesaid agreement and revenue sharing will be finalized only on commencement of the project when both the parties believe that there is sufficient visibility on the future cash inflows from the project.*

   For details in relation to litigations in respect of the land held by Swire Properties, please refer to "Outstanding Litigation and Material Developments" at page 519.

2. *For details in relation to litigations in respect of the land held by Umbel Properties Private Limited, please refer to "Outstanding Litigation and Material Developments" at page 529.*

3. *1 RM = 13.76 INR based on Bloomberg data as on March 31, 2010.*

4. *For details in relation to litigations filed against Manyata Promoters Private Limited in respect of the lands owned by it, please refer to "Outstanding Litigation and Material Developments" at page 527.*

5. *1 RM = 13.76 INR based on Bloomberg data as on March 31, 2010.*

6. *For details in relation to litigations in respect of the land held by RGE Constructions and Development Private Limited, please refer to "Outstanding Litigation and Material Developments" at page 528.*

(a) Embassy Manor/ Embassy Techpoint is owned by Swire Properties Limited, a partnership firm in which the economic interest of our Company is 50%;

(b) Embassy Estates, Coorg is owned by Trafalgar Estate and Properties Private Limited, an entity in which our Company has an economic interest of 50%;

(c) Embassy TechZone, Coimbatore is being developed over the property comprising of 18.91 acres of freehold land and 19.46 acres of lease hold land, by Span Ventures Private Limited, an entity in which our Company has an economic interest of 50%;

(d) Cinnabar Hills is a joint development venture of G.V. Properties Private Limited, an entity in which our Company has an economic interest of 50%. G.V. Properties Private Limited has an economic interest of 50% interest in the joint development;

(e) MKN Embassy TechZone (Malaysia) is owned and being developed by MKN Embassy Development Sdn Bhd, an entity in which our Company has an economic interest of 40%;

(f) Hilton Residencies is owned and being developed by Umbel Properties Private Limited, an entity in which our Company (through itself and through its Associate, DM Estates Private Limited) has an economic interest of 43.33%;

(g) Embassy Residency (Chennai) is owned and is being developed by RGE Constructions and Development Private Limited, an entity in which our Company has an economic interest of 10.87%;

(h) Shell office block is owned and is being developed by Joyful Gateway Sdn Bhd, an entity in which our Company has an economic interest of 24%; and

(i) Manyata Embassy Business Park is owned and is being developed by Manyata Promoters Private Limited, an entity in which our Company (through itself and through its Associate, DSRK Holdings Private Limited) has an economic interest of 33.88%.

As of June 30, 2010, we had paid a sum of Rs. 16,360.93 million towards deposits and other payments in relation to these lands under the category, 'Proportionate interest in lands owned indirectly by the Company through joint ventures'.

The materiality of the agreements in relation to land has been considered on the basis of 10% or more of the aggregate agreement value of lands under each category.

There are no material agreements in this category i.e., 'Proportionate interest in lands owned indirectly by the Company through joint ventures' which is 10% or more of the aggregate agreement value of lands under this category.

For risk factors relating to our Land Reserves above, please see the Risk Factors "*The land which is owned by our Company and registered in the name of our Company is 15.89 acres and accounts for less than 25% of our total Land Reserves. The rest of our aggregate Land Reserves are held in the names of our Subsidiaries or other entities*", "*We do not have marketable title to the land on which we intend to develop a business park in Serbia. We are currently in breach of the agreement pursuant to which we are developing the land, and our status as registered owner of the land may be revoked.*" "*We are required to make certain payments when we enter into joint development agreements, which may not be recoverable and pursuant to which we may be required to pay penalties in terms of such joint development agreements*" and "*We enter into MoUs, agreements to sell and similar agreements with land owners to acquire land, interests in land or to enter into joint development agreements, which entails certain risks"* in the section entitled "Risk Factors" on page xiv.

REGULATIONS AND POLICIES

The Government of India, the Government of Karnataka, the Government of Maharashtra, the Government of Tamil Nadu and the Government of Kerala and other State Governments and the respective local bodies have framed various regulations and policies all of which apply to us. A summary of these regulations and policies is detailed below. The following information 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 regulations set forth below may not be exhaustive and are only intended to provide general information to the investors and are neither designed nor intended to substitute for professional legal advice.

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 and the construction of housing and commercial establishments.

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 Karnataka, Maharashtra, Tamil Nadu and Kerala. 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 and also outside India. We are broadly subject to laws which provide for the acquisition of land, its transfer and related aspects like payments of stamp duty, registration and 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, including central and State legislations that are currently applicable to the business carried on by us.

Constitution of India

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

Union List

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

State List

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

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

Laws enacted by the Union of India

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

The T.P. Act deals with the various methods in which transfer of property including transfer of immovable

property or any interest in relation to that property, between individuals, firms and companies takes place. This mode of transfer between individuals, firms etc 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 and exchange 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.

Indian Easements Act, 1882 ("Easements Act")

The right of easements is derived from the ownership of property and is governed by the Easements Act. An easement is a right which the owner or occupier of land possesses for the beneficial enjoyment of that land and which permits the owner to do or to prevent something being done, in or upon, other land not his own. Under the Easements Act, a license is defined as a right to use property without any interest created in favour of the licensee, as opposed to a lease, which creates an interest in favour of the lessee. The period and incident upon which a license may be revoked may be provided in the license agreement entered into between the licensor and the licensee.

Registration Act, 1908 ("Registration Act")

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

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

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

Stamp duty in relation to certain specified categories of instruments as specified under Entry 91 of the Union list, is governed by the provisions of the Stamp Act which is enacted by the Central Government. The applicable rates for stamp duty on the instruments chargeable with duty are prescribed in the schedules to the Indian Stamp Act, 1899 and the relevant stamp legislations enacted by each State. Instruments chargeable to duty under the Stamp Act which are not duly stamped are incapable of being admitted in a court of law as evidence of the transaction contained therein. The stamp enactments also provide for impounding of instruments that are not sufficiently stamped or not stamped at all.

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

The Urban Land Ceiling Act prescribes the limit for urban areas that can be acquired by an entity. It has been repealed in some States and union territories under the Urban Land (Ceiling and Regulation) Repeal Act, 1999 including Karnataka, Andhra Pradesh and Tamil Nadu.

The Land Acquisition Act, 1894 ("The Land Acquisition Act")

Land holdings are subject to the Land Acquisition Act which provides for the compulsory acquisition of land by the Central Government or appropriate State Government for public purposes, including planned development and town and rural planning. However, any person having an interest in such land has the right to object to such compulsory acquisition and has the right to compensation. In addition, certain states have amended the central statute and framed their own rules for compulsory land acquisition. Our Company has to abide by the State legislations in those states in which it conducts its business, in addition to the Central legislation.

Classification of Lands

Usually, land is broadly classified as agricultural and non-agricultural. Further non-agricultural land has different categories such as residential, commercial, industrial etc, based on the specified land usage. Land classified under a specified category is permitted to be used only for such purpose. In order to use land for any other purpose, prior permission from the relevant revenue, municipal or planning authorities would be required. Where the land is originally classified as agricultural land, in order to use the land for any other purpose, the land is required to be converted or alienated for non-agricultural purposes. In addition, some State governments in India have imposed various restrictions, which vary from State to State, on the transfer of property within such States.

Development of Agricultural Land

The acquisition of agricultural land is regulated by state land reform laws, which prescribe limits up to which an entity may acquire agricultural land. Any transfer of land which results in the aggregate land holdings of the acquirer in the state to exceed this ceiling is void, and the surplus land is deemed, from the date of the transfer, to have been vested in the State government free of all encumbrances. Certain States also prohibit the acquisition of agricultural land by non-agriculturists.

When a local or planning authority earmarks certain areas for non-agricultural use such as, townships and commercial complexes, agricultural lands may be acquired for such specified development. After obtaining a conversion certificate from the appropriate authority with respect to a change in use of the land from agricultural to non-agricultural, the ceiling limits in relation to agricultural lands will not be applicable. Appropriate licenses would need to be obtained for development of land. While granting licenses for development, the authorities generally levy proportional development charges for the provision of services such as laying down of main lines, drainage, sewerage, water supply and electricity.

Land Use Planning

Land use planning and its regulation, including the formulation of regulations for building construction, form a vital part of the urban planning and development process. Various enactments, rules and regulations have been made by the Government, concerned State Governments, planning authorities, municipal corporations and municipalities, village panchayats etc which deal with the acquisition, ownership, possession, development, zoning and usage of land. All relevant applicable laws, rules and regulations have to be taken into consideration by any person or entity proposing to enter into any real estate development or construction activity in this sector in India.

Building Consents

Each state and city has its own set of laws for construction, which govern planned development (such as floor area ratio or floor space index limits, set backs, height restrictions etc). The various authorities that govern building activities in states include the town and country planning department, municipal corporations. Any application for undertaking any construction or development activity has to be made to the town planning authority, municipality, municipal corporation, village panchayat etc as the case may be, who has jurisdiction to sanction such construction.

The Urban Arts Commission advises the relevant State Government in the matter of preserving, developing and maintaining the aesthetic quality of urban and environmental design in some states and also provides advice and guidance to any local body with respect to building or engineering operations or any development proposal which affects or is likely to affect the skyline or the aesthetic quality of the surroundings or any public amenity provided therein. Under certain State laws, the local body, before it accords its approval for building operations, engineering operations or development proposals, is obliged to refer all such operations to the Urban Arts Commission and seek its approval for the project. Additionally, certain approvals and consents may also be required from various other departments, such as the Pollution Control Board, Fire Services Department, the Airports Authority of India, the Archaeological Survey of India etc.

Environmental Regulations

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

Labour Regulations

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

The Construction Workers Act is a social welfare legislation which aims to provide certain benefits as enumerated in the Construction Workers Act to the workers engaged in establishments that use manual labour for purposes of construction activities. The Construction Workers Act also provides for the regulatory regime to establish 'Boards' at the Central and the State level, to regulate the functioning of its provisions. All establishments involved in construction, are required to be registered under the Construction Workers Act.

*The Minimum Wages Act, 1948 ("**Minimum Wages Act**")*

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

Laws relating to SEZ

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

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

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

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

Procedure for setting up an SEZ

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

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

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

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

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

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

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

The Developer and/or a Co-developer as the case may be is required to have at least 26 percent of the equity in the entity proposing to create business, residential or recreational facilities in a SEZ in case such

development is proposed to be carried out through a separate entity or special purpose vehicle being a company formed and registered under the Companies Act.

State SEZ Policies

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

Laws relating to Software Technology Parks

*The Software Technology Parks Scheme ("**STP Scheme**")*

The STP Scheme was introduced by the Government of India with the objective of encouraging, promoting and boosting the software exports from India.

The STP Scheme provides infrastructure such as data communication facilities, operational space, common amenities, single window clearances and approvals including project approvals, import certification and other facilities to boost software exports from India. In addition to the infrastructure support, an STP unit enjoys the following Fiscal benefits, rendering it attractive for entrepreneurs:

1. All hardware and software imports are exempt from customs duties;
2. A STP unit is exempt from payment of corporate tax upto Fiscal 2010;
3. Domestic purchases by STP units are eligible for the benefit of deemed exports to suppliers;
4. Capital goods purchased from the domestic tariff area (an area within India but outside a notified STP) are entitled for exemption from excise duty and reimbursement of central sales tax;
5. The sales in the domestic tariff area shall be permissible upto 50% of the export in value terms;
6. 100% depreciation on capital goods over a period of five years.

Many state governments have also added to the basket of incentives by providing for low rates of sales tax on products in the information technology sector, besides providing concessional tariff on electricity.

Setting up an STP unit

In order to avail the benefits as envisaged by the Government of India, a company is required to register itself with the jurisdictional STPI (the Software Technology Parks of India, a body which administers the STP Scheme). The registration of a unit will normally be granted in about 25 days.

A company desirous of obtaining the STP registration is also required to obtain an Importer-Exporter Code from the Director General of Foreign Trade. Upon approval of the application, a company is required to execute an agreement with the STPI agreeing to comply with conditions prescribed in the STP approval, *inter alia* the export obligations and customs bonding of the premises.

Private warehouse license

Following the approval under the STP, a company is required to obtain an approval from the Customs authorities for setting up a Private Bonded Warehouse and also an In-Bond Manufacturing order to store the Capital goods obtained free of Customs/Excise duty and to carry on the manufacture of computer software.

Compliances under the Scheme

The principal compliance required of a company accorded approval under the STP Scheme is the fulfilment of the export obligation. Additionally, the unit is required to file monthly, quarterly and annual returns to STPI in the nature of a performance report indicating the export performance and the Cost, Insurance and

Freight (CIF) value of imported goods and foreign currency spent on incidental expenses.

Proposed Land Titling Bill, 2010

The Department of Land Resources under the Rural Development Ministry has drafted a Land Titling Bill, 2010 that provides for establishment and management of a system of conclusive property titles, with title guarantees and indemnification against losses due to inaccuracies in property titles through registration of immovable properties.

State specific 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.

Karnataka

Some of the important legislations enacted by the State of Karnataka in this regard are provided below.

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

The main objective of the KTCP Act is to regulate planned growth of land use and to develop and execute town planning schemes in the State of Karnataka. The KTCP Act operates through planning authorities constituted under the KTCP Act for every local planning area and such areas are to be governed by its own local bye laws, rules and/or regulations. Every local planning authority is required to create a master plan and to ensure that all activities carried out are done in accordance with the master plan.

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 (as defined in the BDA Act) and areas adjacent to it. The BDA is established as the local planning authority for the local planning area for the city of Bangalore.

Bangalore Metropolitan Region Development Authority Act, 1985 ("BMRDA Act")

The BMRDA Act was enacted for the purpose of establishing the BMRDA to plan, co-ordinate and supervise the proper and orderly development of the Bangalore metropolitan region (as defined in the BMRDA Act). Any development in the jurisdiction of BMRDA requires the prior permission of the BMRDA.

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

The Bangalore Mysore Infrastructure Corridor Project consists of tolled four lane express highways (including their peripheral and link roads) and the five new townships, along this corridor. The Bangalore International Airport Planning Authority regulates the lands coming within its jurisdiction. Pursuant to the objectives of the KTCP Act, the BMICAPA and the BIAAPA have been constituted as local planning Authorities and are authorised under the provisions of the KTCP Act to frame their own rules and regulations, to govern the areas within their jurisdictions. In the event that any of our lands are situated in their jurisdiction, the BMICAPA and the BIAAPA constitute independent planning authorities and pursuant to the authority vested in them under the KTCP Act, have the powers to govern such areas. Any person undertaking any construction activity within the jurisdiction of these bodies is required to make an application and obtain a license for construction. The plans and specifications for construction must comply with the regulations prescribed by these authorities including in relation to FAR, set back etc.

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. Under the KMC Act a corporation is established based on certain criteria, which include the population of the area and the density of the population. Under the KMC Act, the construction industry is regulated by the Municipal Corporations which impose mandatory requirements such as approvals, building bye-laws, regulation of future constructions, etc. The KMC Act empowers municipal corporations to make bye laws for the use of sites and buildings and for all matters that are required or allowed to be carried on under the KMC Act.

Comprehensive Development Plan ("CDP")

Under the KTCP Act, the BDA is the Planning Authority for the metropolitan area of Bangalore. A CDP that divides the city into a number of use zones, such as residential, commercial, industrial, public and semi-public is issued every 10 years by the BDA.

The latest CDP ("**Revised Master Plan 2015**") was notified by the Government of Karnataka on June 25, 2007 and covers a total planning area of 1,307 square kilometres. The Revised Master Plan 2015 contains a master plan vision document, existing and proposed land use maps, land use zoning regulations and planning district reports. Under the Revised Master Plan 2015, there has been an enhancement of the FAR to a maximum of three and depending on the width of the road, up to four and an enhancement of FAR to a maximum of four around proposed metro stations. The land requirement for different uses like residential, commercial, industrial, public and semi-public, traffic and transportation, parks and open spaces have been also been set out in the plan. The Revised Master Plan 2015 lays down the policies and programmes for the overall development of the area taking into consideration the long term requirements of the city. In each use / zone, certain uses are normally permitted and certain other uses may be permitted by the BDA under special circumstances.

Karnataka Land Revenue Act, 1964 ("KLR Act")

Though the KLR Act was enacted in order to consolidate and amend the laws relating to land and the revenue administration in the State of Karnataka, the KLR Act regulates the use of agricultural land for non agricultural purposes. Under the KLR Act, permission of the relevant Deputy Commissioner should be obtained by the owner of any agricultural land in order to convert the use of such land for any other purpose. In areas earmarked as "green belt areas", there are greater restrictions placed on usage and prior consent of the relevant authority is needed if the activity sought to be carried out is other than certain permitted activities such as construction of places of worship, hospitals, libraries, sports clubs and cultural buildings.

Bangalore Mahanagara Palike Building Bye Laws - 2003 ("BMP Bye Laws")

All land use and real estate development within the jurisdiction of the Bruhat Bangalore Mahanagara Palike ("**Authority**") requires compliance with the BMP Bye Laws. There are about 100 wards in Bangalore to which the BMP Bye Laws are applicable at present. The BMP Bye Laws classify land use 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 (viii) agricultural zone. The construction of residential buildings is permitted in the commercial (retail business) zone.

Every person who intends to construct, erect, re-erect a building or make material alterations to a building is required to obtain a license from the commissioner of the Authority under Part II of the BMP Bye Laws by submitting the prescribed documents. The specifications mentioned in the BMP Bye Laws must be complied with in respect of the building proposed to be constructed. In relation to the construction of any building, *inter alia*, the conditions regarding the FAR, (i.e. 'quotient obtained by dividing the total covered area of all the floors by the area of the plot') and the "set back line" (i.e. a line prescribed beyond which nothing can be constructed towards the plot boundary except those not included under the definition of

coverage) set out in the BMP Bye Laws have to be complied with and will be considered by the Authority before it grants a license for construction. Upon grant of a license by the Authority the construction of the building must commence within a period of two years from the date of grant of the license. Upon completion of construction, the Authority will issue a completion or occupancy certificate for the building after the physical inspection of the building to verify that the construction is in compliance with the approved plans and specifications.

Bhoomi Program

Pursuant to the computerisation of land records ("**CoLR**") scheme initiated by the Government of India, the State of Karnataka implemented the Bhoomi Program. The objectives of the Bhoomi program are to computerise the ownership and plot wise details of the land records, facilitate the easy maintenance and updation of changes occurring in land holdings. Computerisation has been done to ensure long term preservation of land records that are tamper proof and which can be maintained, reproduced and retrieved efficiently at low cost.

By March 2002, the computerisation of the land records in the entire State of Karnataka was completed, which involved digitisation of nearly 20 million land records of 6.7 million land owners in 176 taluks of Karnataka. After the implementation of the Scheme, farmers were issued printed copies of computerised records of Rights, Tenancy and Crop Inspection certificate (RTC) for a modest fee of Rs. 15 and issue of manual certificates has been banned. These computer-generated documents have statutory authority, and can be used for judicial and financial purposes. The Bhoomi program has been provided with fingerprint biometrics to ensure foolproof authentication. The Bhoomi databases at the taluk offices have been consolidated at the state data centre. Therefore the replication and consolidation of databases takes place on a daily basis which enables delivery of land records through the internet. Further, the offices of the registration department have been electronically linked to Bhoomi offices in the taluka thus transferring electronic data to the Bhoomi database.

Computerisation has also led to other benefits such as laying down standard processes like First in First out (FIFO) for disposal of mutation applications and reducing the discretionary power of government officials.

Karnataka Apartment Ownership Act, 1972 ("KAO Act")

The KAO Act relating to the ownership of apartments was enacted to provide for ownership of an individual apartment in a building and to make it heritable and transferable. The Act permits exclusive ownership and possession of an apartment. The owner is required to submit a Declaration and a Deed of Apartment which have to be signed and registered so as to be governed under the Act.

Karnataka Ownership Flats (Regulation of the Promotion of Construction, Sale, Management and Transfer) Act, 1972

As a matter of regulating the matters connected with the promotion, development, construction, sale and management of all types of flats (including industrial, commercial and residential). It deals in detail with the duties of the developer, the manner of booking a flat under construction, etc.

Karnataka Rent Control Act, 1999 ("Rent Act")

The earlier legislation, the Karnataka Rent Control Act, 1961 was replaced by the Rent Act in order to encourage further construction and balance the interests of the landlord and the tenant. Under the Rent Act, the 'standard rent' in relation to any premises is calculated on the basis of 10% per annum of the aggregate amount of the cost of construction and the market price of the land comprised in the premises on the date of commencement of the construction subject to other charges payable as specified in the Rent Act.

Karnataka Stamp Act, 1957 ("KSA")

Stamp duty on instruments in the state of Karnataka is governed by the KSA. The KSA levies stamp duty on documents/instruments by which any right or liability is, or purports to be, created, transferred, limited, extended, extinguished or recorded. Some of the instruments on which the KSA levies stamp duty include instruments for conveyance of land, lease of immoveable property, powers of attorney etc. All instruments chargeable with duty and executed by any person are required to be stamped adequately. Instruments not duly stamped are incapable of being admitted in court as evidence of the transaction in question. The State Government has the authority to impound insufficiently stamped documents. The KSA prescribes a penalty not exceeding ten times the amount of duty payable in respect of the instrument which is insufficiently stamped. The stamp duty payable on conveyance of immoveable property in the State of Karnataka is six percent, plus other additional duties and is subject to revision by the government from time to time.

Maharashtra

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

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

Maharashtra Rent Control Act, 1999

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

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

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

The Bombay Stamp Act, 1958

Stamp duty on instruments in the state of Maharashtra is governed by the Bombay Stamp Act. 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. 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 State Government on receiving information from any source, to call for examination of any instrument to satisfy itself 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. The State Government has the authority to impound insufficiently stamped documents.

The Maharashtra Value Added Tax Act, 2002

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

Maharashtra Cooperative Societies Act, 1960

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

The Maharashtra Housing and Area Development Act, 1976

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

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

The Development Regulations for the MMR have been enacted to effectuate planned development and optimal use of land in Mumbai and apply to building activity and development work in the areas within the jurisdictions of MCGM. The constructions by the developer must be in accordance with the requirements and specifications including safety requirements provided under the regulations.

Development Control Regulations for Mumbai Metropolitan Region, 1999 (the "Development Control Regulations for MMR")

The Development Control Regulations apply to the development of any land situated within the Mumbai Metropolitan Region as defined in the Mumbai Metropolitan Region Development Authority Act, 1974 ("**MMR**"). Under the Development Control Regulations for MMR no person can carry out any development (except those stated in proviso to Section 43 of the Maharashtra Regional Town Planning Act, 1966) without obtaining permission from the planning authority and other relevant authorities including zilla parishads and the pollution control board. The Development Control Regulations for MMR have demarcated the region into various zones for development purposes including urbanisable zones, industrial zone, recreation and tourism development zone, green zones and forest zone.

Maharashtra Regional and Town Planning Act, 1966 (the "Town Planning Act")

The Town Planning Act 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 the Town Planning Act, grant approvals for real estate projects situated in areas falling within their jurisdiction. Change in the use or development of any land which is part of a notified area or site for a new town requires the permission of the planning authority and it may revoke or modify the permission granted if it appears inconsistent with the development plan. The Town Planning Act also 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.

Mumbai Municipal Corporation Act, 1888 (the "Municipal Corporation Act")

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

Maharashtra Land Revenue Code, 1966 (the "MLRC")

The MLCR was enacted to unify and amend the law relating to land and land revenues in Maharashtra. The MLRC empowers the state government to specify revenue areas. The MLRC empowers the State Government to appoint a Collector who is in charge of the revenue administration for a district and also the powers and duties of other officers appointed in this regard.

The Maharashtra Apartment Ownership Act, 1970

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

Land Conversion from Agriculture to Non Agriculture

In case of land located in the residential zone as per the Development plan of the City

Lands located in the residential zone as per the development plan of city is developable even though it is an agriculture land. The procedure is such that the developer submits the layout plan for approval for approval. Once the layout plan is approved by the Authority concerned, the developer immediately makes an application for conversion of land from Agriculture to Non Agriculture in the land department. The land department, based on the layout approval, gives the NA Order (Non Agriculture order) at a payment of certain pre-fixed charges per square feet. The land conversion from Agriculture to Non Agriculture in case of lands located in residential zone as per the city development plan will be a mere procedure.

In case of land located in the agriculture zone

As per the Special Township Project Scheme of Maharashtra, a developer who holds more than 100 acres of land in agriculture zone can take permission/approval from the government of Maharashtra for development of Special Township Scheme. Once the scheme is approved by government of Maharashtra, the land will be automatically converted from Agriculture to Non Agriculture status.

*Transfer of development rights ("**TDR**")*

In the event as per the development plan of the city, if the developer is asked to leave the certain portion of the land for the purpose of road widening etc. the developer is entitled for equal amount of FSI/TDR (Floor Space Index / Transfer of Development Rights). The developer can either use the same within the same land/project or can sell to third party. The actual hand over of land will happen only if the Corporation is ready to acquire the same. Until such time the developers hand over the land, the Developers shall remain in possession of the land however no development can take place on that portion of the land.

Similarly, within the city limits as also within the proposed city limits a Developer may consume addition area by way of purchase of TDR to the tune of maximum 40% of the net plot area. Based on this the saleable area of the project for the developer shall go up. While approving the plans, the developers can express the proposed TDR to be consumed in that project. However, the actual TDR is to be purchased only when the Developers decides to take possession of the area of TDR based on their sale of units in the project.

As per the development plans of the cities in Maharashtra the developers have to leave about 1% to 15% by way of amenities spaces. However these areas can be developed for the purpose of software park by payment of certain premium.

As per the rules of Maharashtra the developers are entitled for 100% additional FSI for development of private software park and hotel/service apartments on payment additional premium.

Tamil Nadu

Some of the important legislations enacted by the State of Tamil Nadu are provided below.

Tamil Nadu Town and Country Planning Act, 1971 ("TNTCP Act")

The main objective of the TNTCP Act is to regulate planned growth of land use and to develop and execute town planning schemes in the State of Tamil Nadu. The TNTCP Act notifies the areas, constitution of authorities like Chennai Metropolitan Development Authority, preparation and implementation of master plan and detailed development plan and enforcement of development control regulations. The development plan/master plan specifies the usage of land within the local area which provides for allotment or reservation of land for residential, commercial, industrial and agricultural purposes for parks and open spaces, major streets, airport and canals, area reserved for further developments, expansion and for new housing. The plans may also include detailed development of specific areas for housing, shopping,

industries, the height, and number of storeys and size of the building.

This TNTCP Act further provides for the preparation of a 'regional plan' which is a tool to integrate the urban and the rural areas. The TNTCP Act has resulted in a situation whereby a developer has to submit two applications and obtain two permissions. The first permission is the planning permission under the TNTCP Act and the second permission for building license, layout from the relevant licensing authorities.

The land use and planning/development activities in municipal areas (urban/local) is controlled and regulated by the local body authorities (municipalities) under the provisions of the Tamil Nadu Urban Local Bodies Act, 1998 and in panchayat areas by the Panchayat Authorities (Panchayat Board) under the provisions of the Tamil Nadu Panchayats Act, 1994.

Chennai Metropolitan Development Authority ("CMDA")

The CMDA is an authority constituted under the TNTCP Act. The purpose of establishing the CMDA is to plan, co-ordinate and supervise the proper and orderly development of the 'Chennai metropolitan area'. The CMDA co-ordinates and monitors projects executed through Government agencies, Non-Governmental organisations and community based organisations.

Tamil Nadu District Municipalities Act, 1920 ("TNDM Act")

The TNDM Act was established to consolidate and amend the laws, relating to the establishment of 'municipal corporations' in the State of Tamil Nadu except in Chennai. Under the TNDM Act, the construction industry is regulated by the municipal office which imposes mandatory requirements such as obtaining of approvals, compliance with building bye-laws, regulation of future constructions, etc.

Tamil Nadu District Municipalities Building Rules, 1972 ("TN Building Rules")

The TN Building Rules are applicable to the whole area which has been declared as municipality under the TNDM Act. These rules apply to all building activity within the jurisdiction of the body mentioned above and prescribe the conditions for construction of a building, including restrictions on the minimum building plot size along the abutting roads in all new developments areas and layouts, height and set back of buildings etc. Every application to construct or reconstruct or for alteration to existing buildings is to be made to the relevant sanctioning authority in the prescribed form and accompanied by the prescribed documents.

Chennai City Municipal Corporation Act, 1919 ("CCMC Act")

The CCMC Act was established to consolidate and amend the laws, relating to Municipal affairs in the city of Chennai. Under the CCMC Act, the construction industry is regulated by the municipal office who impose mandatory requirements such as approvals, building bye-laws, regulation of future constructions, etc

Tamil Nadu Apartment Ownership Act, 1994 ("TNAO Act")

Every owner of an apartment in the State of Tamil Nadu is required to execute a declaration to adhere to the provisions of the TNAO Act. The TNAO Act states that the administration of every building shall be bound by its building regulations under the municipal laws, TNTCP Act and own bye laws.

Tamil Nadu Buildings (Lease and Rent Control) Act, 1960 ("TNLRC Act")

The TNLRC Act was enacted to regulate the leasing of buildings, and to exercise rent control. Under the TNLRC Act the 'fair rent' in relation to any residential apartment shall be nine percent of the gross return per annum on the total cost of such building, and on any non residential building it shall be 12% of the gross return per annum on the total cost of such building. The total cost shall consist of the market value of the site in which the building is constructed and the cost of the construction of the building.

Tamil Nadu Fire Services Act, 1985 ("TNFS Act")

The maintenance of fire services in the State of Tamil Nadu is regulated by the provisions of the TNFS Act. The primary function of the fire and rescue services department is to save life and property of the public from fire and other accidents. The fire and rescue services department also provides advice on fire protection measures for high-rise buildings, factories, places of public resort, fairs and festivals. Any person proposing to construct a high raised building or a building proposed to be used for any other purpose other than residential purpose should apply for approval from the concerned authority.

Kerala

Some of the important legislations enacted by the State of Kerala are provided below.

Kerala Land Reforms Act, 1963 ("KLRA")

The main objective of the KLRA is to codify the limits of land held in Kerala by persons or firms. Sections 80 to 85 of the KLRA prescribe ceilings on the land a person or a firm can hold, along with the different types of lands that can be held by such entities. These provisions also prescribe other conditions to be complied with while purchasing any land in Kerala.

Kerala Municipalities Act, 1994 ("KM Act")

The KM Act was established to consolidate and amend the laws, relating to the establishment of 'municipal corporations' in the State of Kerala. Under the KM Act, the construction industry is regulated by the municipal corporations which impose mandatory requirements such as approvals, building bye-laws, regulation of future constructions, etc. The KM Act empowers municipal corporations to make bye laws for the use of sites and buildings and for all matters that are required or allowed to be carried on under the KM Act.

Kerala Municipality Building Rules, 1999 ("KMB Rules")

The KMB Rules prescribes the rules applicable to municipal corporations in Kerala. These rules apply to all public and private buildings and prescribe the conditions for construction of a building, including restrictions on the minimum building plot size along the abutting roads in all new developments areas and layouts, height and set back of buildings etc. In relation to high rise buildings, located in vicinity of airports the maximum height of such building has to be in accordance with the KMB Rules and in the event that the building exceeds the maximum height limits, the approval for the same should be obtained from the airport authority and is regulated by their rules/requirements.

Every application to construct or reconstruct or for alteration to existing high rise buildings is to be made to the relevant sanctioning authority in the prescribed form and accompanied by the prescribed documents. The KMB Rules also prescribe that no person shall occupy or allow any other person to occupy any building or part of a building for any purpose unless such building has been granted an occupancy certificate by the sanctioning authority.

Kerala Land Development Act, 1963 ("KLD Act")

The KLD Act was enacted to provide for a unified law relating to preparation and execution of land development schemes including schemes for the conservation and development of soil resources, the control and prevention of soil erosion and the reclamation of waste lands in the State of Kerala. The Kerala Land Development Scheme Rules, 1977 framed under the KLD Act details the powers, duties and functions of the authorities approving and implementing the schemes.

Kerala Apartment Ownership Act, 1983

Every owner of an apartment in the State of Kerala is required to execute a declaration to adhere to the provisions of the Kerala Apartment Ownership Act, 1983. The Kerala Apartment Ownership Act, 1983 states that the administration of every property shall be bound by its own bye laws.

Kerala (Lease & Rent Control) Act, 1965 ("KLRC Act")

The KLRC Act was enacted to regulate the leasing of buildings, and to exercise rent control. Under the KLRC Act, the 'fair rent' in relation to any premises is calculated on the basis, of the property tax or house tax fixed for the building at the time of letting in the property tax register or house tax register of the authority within whose area the building is situated.

Kerala Survey and Boundaries Act, 1961 ("KSB Act")

The KSB Act was enacted to amend and unify the laws relating to survey of lands and settlement of boundary disputes.

Kerala Fire Force Act, 1962 ("KFF Act")

The maintenance of fire services in the State of Kerala is regulated by the provisions of the KFF Act. The primary function of the fire and rescue services department is to save life and property of the public from fire and other accidents. Any person proposing to construct a high raised building or a building proposed to be used for any other purpose other than residential purpose, should apply to the concerned licensing authority and the same shall be forwarded by the licensing authority to the fire and rescue services department.

Foreign Ownership

The Industrial Policy, 1991 prescribed the limits and the conditions subject to which foreign investment can be made in different sectors of the Indian economy. The Government of India has since amended the Industrial Policy, 1991 from time to time in order to enable FDI in various sectors in a phased manner gradually allowing higher levels of foreign participation in Indian companies. The FEMA regulates the precise manner in which such investment may be made.

The Government of India 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), subject to certain conditions contained in Chapter 5 of the FDI Circular.

A short summary of the conditions of Chapter 5 of the FDI Circular is as follows:

(a) Minimum area to be developed is 10.0 hectares in case of serviced housing plots and 50,000 sq. mts. in case of construction development projects. Where the development is a combination project, the minimum area can be either 10.0 hectares or 50,000 sq. mts.

(b) Minimum capitalization of US$10.0 million for wholly-owned subsidiary and US$5.0 million for a joint venture has been specified and it is required to be brought in within six months of commencement of business of the company.

(c) Further, the investment is not permitted to be repatriated before three years from completion of minimum capitalization except with prior approval from FIPB.

(d) At least 50% of the project is required to be developed within five years of obtaining all statutory clearances and the responsibility for obtaining it is cast on the foreign investor. Further, the sale of undeveloped plots is prohibited.

(e) Compliance with rules, regulations and bye-laws of state government, municipal and local body has been mandated and the investor is given the responsibility for obtaining all necessary approvals.

However, Chapter 5 of the FDI Circular is not applicable to foreign investment under the Portfolio Investment Scheme by FIIs under Schedule II of the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000, as amended from time to time. The Company is eligible to issue Shares to FIIs under the Portfolio Investment Scheme, covered under notification FEMA No. 20/2000-RB dated May 3, 2000 and subsequent amendments thereto.

Investment by FIIs and Sub-accounts

As per the Portfolio Investment Scheme, FIIs registered with the SEBI may buy or sell securities of Indian companies on stock exchanges in India through registered stock brokers. FIIs are also permitted to purchase shares and convertible debentures of an Indian company, subject to the percentage limits specified either through:

- a public offer, where the price of the shares to be issued is not less than the price at which the shares are issued to Indian residents; or

- a private placement, where the price of the shares to be issued is not less than the price according to the terms of the relevant SEBI guidelines or other applicable guidelines.

Further, in respect of an FII investing in equity shares 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 or 5% of the total issued capital of the company in case such sub-account is a foreign corporate or an individual and the total holdings of all FIIs / sub-accounts of FIIs put together shall not exceed 24% of the paid up equity capital of the company unless the limit is increased up to the sectoral cap as applicable by the company concerned by passing a resolution by its board followed by passing of a special resolution by its shareholders.

The above regulations and policies are in summary form only and is not a complete analysis or description of all regulation and polices applicable to the business of our Company.

Foreign Exchange Remittances from India

The FEMA regulates transactions involving foreign exchange and provides that certain transactions cannot be carried out without the general or special permission of the RBI. The FEMA has eased restrictions on current account transactions. However, the RBI continues to exercise control over capital account transactions (i.e., those which alter the assets or liabilities, including contingent liabilities, of persons) and has issued regulations to regulate the various kinds of capital account transactions, including certain aspects of the purchase and issuance of shares of Indian companies.

Dividends

Dividends on the Equity Shares received by foreign investors may be freely repatriated in foreign currency.

Restrictions on Sale of the Equity Shares and Repatriation of Sale Proceeds

Under the foreign exchange regulations currently in force in India, transfers of shares between non-residents and residents are freely permitted (subject to certain conditions) if they comply with the pricing guidelines and reporting requirements specified by the RBI. An FII holding equity shares is permitted to sell them on a recognised Indian Stock Exchange through a registered broker and the sale proceeds may be credited to a special non-resident Rupee account that it holds.

External Commercial Borrowings

External Commercial Borrowings (ECB) can be raised by corporates engaged in the development of integrated township as defined by Ministry of Commerce and Industry, DIPP, SIA (FC Division), Press Note 3 (2002 Series) dated January 4, 2002. Integrated township includes housing, commercial premises, hotels, resorts, city and regional level urban infrastructure facilities such as roads and bridges, mass rapid transit systems and manufacture of building materials. Development of land and providing allied infrastructure forms an integrated part of township's development. The minimum area to be developed should be 100 acres for which norms and standards are to be followed as per local bye-laws/rules. In the absence of such bye-laws/rules, a minimum of two thousand dwelling units for about a population of ten thousand will need to be developed. This permission is available up to December 31, 2010, under the approval route. Units in special economic zones are also allowed to raise ECB for their own requirement under the automatic route. However, they cannot transfer or on-lend ECB funds to sister concerns or any unit in domestic tariff area.

Overseas Direct Investment

Direct investments by residents in Joint Venture and Wholly Owned Subsidiary abroad is regulated by the FEMA, read with the Foreign Exchange Management (Transfer or Issue of Any Foreign Security) Regulations, 2004, as amended from time to time. Overseas Investment can be made under two routes viz. (i) Automatic Route and (ii) Approval Route. An Indian party is permitted to make investment in overseas joint ventures/wholly owned subsidiaries, not exceeding 400 per cent of the net worth of the Indian party as on the date of the last audited balance sheet. Indian parties are prohibited from making investment in a foreign entity engaged in real estate business, without the prior approval of the Reserve Bank. In this context, "real estate" means buying and selling of real estate or trading in Transferable Development Rights (TDRs) but does not include development of townships, construction of residential / commercial premises, roads or bridges. The ceiling will include contribution to the capital of the overseas joint ventures/wholly owned subsidiaries, loan granted to the overseas joint ventures/wholly owned subsidiaries, and 100 per cent of guarantees issued to or on behalf of the overseas joint ventures/wholly owned subsidiaries. The Indian entity may extend loan / guarantee to an overseas concern only in which it has equity participation. Prior approval of the Reserve Bank would be required in all cases of direct investment abroad for which the automatic route is not available. For this purpose, application together with necessary documents should be submitted in Form ODI through their Authorised Dealer Category – I banks. The RBI would take into account various factors while considering such applications, including prima facie viability, contribution to external trade and other benefits which will accrue to India through such investment, financial position and business track record of the Indian party and the foreign entity and expertise and experience of the Indian party in the same or related line of activity of the joint ventures/wholly owned subsidiaries outside India.

Laws enacted by the Republic of Serbia

Zoning - Spatial and Urban Plans

The Law on Planning and Development ("Official Gazette of the Republic of Serbia", No. 72/2009), provides for Spatial Plans to be created at the country's various regions, local municipalities and towns, as well as designated special purpose areas. Urban Plans are divided into General Urban Plans, General Regulation Plans and Detailed Regulation Plans. Spatial Plans for smaller planning units must comply with Spatial Plans of the larger units. All Spatial Plans and Urban Plans for municipalities are prepared by specially licensed spatial planning companies and are adopted by the relevant municipal assembly. The Plans are then made available for public inspection at the official seat of municipal/ town assembly.

A municipal Spatial Plan provides the general guidelines for determining the purpose of the use of the land, including whether or not such land is designed for development. Each town which is a seat of the municipal administration and has more than 30,000 inhabitants is required to adopt municipal/ town General Urban Plan which must, inter alia, show areas reserved for development, the general purpose of the use of the land, and the designated general infrastructure corridors.

Conversion of agricultural land into development land

Under the Law on Planning and Development if the relevant municipal/ town zoning documents envisage that any part of agricultural land is to be converted into development land, then the owner of the plot of land which has been converted must pay a conversion fee equal to 20% of the market value of the relevant land upon conversion to development land in accordance with the Law on Agricultural Land ("Official Gazette of the Republic of Serbia", Nos. 62/2006, 65/2008 and 41/2009), before a Location Permit is issued.

Creation of a Development Land Plot and preparation of an Urban Project

Prior to application for a Location Permit, the developer should apply to the municipal/town authorities for the creation of one or more Development Land Plots, which can consist of one or more cadastral land plots. The conditions for the creation of a Development Land Plot are set out in the relevant urban plan. The creation of a Development Land Plot will be based on the project plan prepared by a licensed urbanism company. If approved by the authorities, the Development Land Plots are then created and registered in the relevant real property cadastre.

Once a Development Land Plot is approved, an investor must procure an Urban Project for such Development Land Plot, which is prepared by a licensed architectural company. The Urban Project must be approved by the municipal/town authorities, which shall check whether the Urban Project complies with the relevant spatial and urban plans.

Location Permit

The New Law on Planning and Development provides that a Location Permit is issued by the municipal/ town authorities, which are also competent for the issuance of a Construction Permit and an Occupancy Permit. A Location Permit contains all of the information and conditions required for the drafting of the Main Design Plan and other technical documentation in accordance with the applicable zoning document. The obtaining of a Location Permit is a precondition for the obtaining of the Construction Permit, and generally, this document serves as a source or guideline for each individual real estate development project. A Location Permit expires within two years from its effective date, unless the investor applies for the issuance of a Construction Permit prior to the expiration date.

Construction Permit

All development projects must be carried out on the basis of a Construction Permit and in accordance with technical documentation for the construction of each particular structure. A Construction Permit is issued within 8 days after the date of the filing the application, if all of the required documentation has been delivered in form and content as required by the Law on Planning and Development. A Construction Permit will include, inter alia, information on the developer, relevant land plot, project for which the permit is being issued, documentation based on which the Construction Permit is issued, as well as the term of duration of the Construction Permit. Under the Law on Planning and Development, a Construction Permit becomes legally effective if no appeal has been lodged against its issuance within a period of 8 days after its delivery to the applicant. The Construction Permit expires within two years from its effective date, unless development has commenced prior to this date.

Occupancy Permit

Structures may only be used upon the issuance of an Occupancy Permit for the structure or relevant part thereof. An Occupancy Permit may be issued for a whole structure or for certain separate parts thereof, when a certain part of a structure represents a technological whole. The municipality that issued the Construction Permit also issues the Occupancy Permit, and is obligated to do so within seven days from the date of receipt of the relevant commission's findings that the structure is suitable for use and that it fully complies with the Construction Permit, the project's Main Design Plan and the other relevant technical documentation.

Laws enacted by Malaysia

There are three main areas of legislations/regulations that govern the real property in Malaysia. First, the National Land Code, 1965, is the most significant legal regulation for real estate transactions. Second, the Constitution of Malaysia, that gives the national government, responsibility and rights in regulating property ownership. Third, the state-specific land rules for the regulation and ownership of land and buildings as applicable in the 14 states of Malaysia.

The National Land Code, 1965 ("NLC")

The land laws of Malaysia are governed by the NLC. Section 40 of the NLC states that all state land belongs to the state authority. When the state land is disposed of by the state authority to an individual in perpetuity for an indefinite period, such land is granted as *freehold title***.** When the state land is disposed of by the state authority to an individual for a term of years, by virtual of law, not exceeding 99 years, such land is granted as *leasehold title*. Upon expiry of the period of the lease, the land reverts to the state authority. The owner will then have to either apply for a renewal of the lease before its expiry or apply for a fresh alienation if the lease has expired. This will involve the payment of a premium.

The NLC was altered in 1992 to add controls on foreign purchase of real property. Specifically, the NLC now requires foreigners to obtain permission from the government for the purchase of agricultural, residential, or commercial land. Industrial land is excluded from this restriction.

The Stamp Act, 1949 ("Stamp Act")

The assessment and collection of stamp duty is sanctioned by the Stamp Act. The Stamp Act provides for the imposition of ad valorem duties (that is, according to the value) on:

(i) Instruments of transfer (implementing a sale or gift) of property including marketable securities (meaning loan stocks and shares of public companies listed on the Kuala Lumpur Stock Exchange), shares of other companies and of non tangible property, for example, book debts, benefits to legal rights and goodwill; and

(ii) Instruments creating interests in property, for example tenancies and statutory leases.

The Land Acquisition Act, 1960 ("LA Act")

The Federal Constitution guarantees citizens the right to ownership of property. Under Article 13, private property cannot be "compulsorily acquired or used", unless it is done in accordance with the law and the deprived owner is paid "adequate compensation". That "law" is the LA Act, in force since October 13, 1960. It sets out in detail the meaning of "market value", which represents the "adequate compensation" payable to the dispossessed owner.

A dispossessed owner can challenge the acquisition if the state, as the acquiring authority, fails to pay adequate compensation. Likewise, the landowner can also challenge a state authority's failure to comply with the procedure for acquisition as laid down under the LA Act.

It should be noted that the LA Act only makes provision for compulsory acquisition. There is no equivalent legislation for compulsory "use" of private property.

Section 3(1) of the LA Act states that private property can be compulsorily acquired by a state authority if it is needed for any public purpose:

(i) By any person or corporation for a purpose which, in the opinion of the state authority, is beneficial to the economic development of Malaysia or any part thereof; or
(ii) For mining/residential/agricultural/commercial/industrial/recreational purposes or any combination of such purposes.

The term "public purpose" has not been expressly defined.

The LA Act sets out in detail the procedures a state authority will have to comply with if it wants to acquire land. There are many sections outlining the process from the time the preliminary notice is given of the intention to acquire specific parcels of land.

The Town and Country Planning Act, 1976 ("TCP Act")

The TCP Act is enacted pursuant to Clause (4) of Article 76 of the Federal Constitution. The TCP Act applies to peninsular Malaysia and comes into operation in a state on a date to be appointed by the state authority, with the concurrence of the minister, by notification in the *State Gazette*. The state authority may appoint different dates for the coming into operation of the TCP Act in different areas or parts of the state. The states of Sabah, Sarawak and the Federal Territory of Kuala Lumpur enforce their own sets of planning legislation.

The TCP Act contains 9 parts with 59 sections originally. It was amended 4 times over the years from 1993 to 2007 to cater for sewerage activities during the development of the land, environmental conservation, the role of the Federal Government pertaining to town and country planning issues.

The Federal Constitution prescribes that town and country planning is a shared responsibility of the Federal and state governments. The planning law in 1976 originally defined three levels of planning authorities all of them at the state level. This was expanded in 2001 to include a national as well as regional planning authorities. However, the quasi-judicial planning appeal board which is appointed by the state government appears to be the ultimate authority since its decision is final and there is no power for the state or Federal governments to intervene.

The Malaysian planning law is closely modelled after the British counterpart. The TCP Act is substantially based on the Town and Country Planning Act, 1970 of the UK but there are sole innovations in the Malaysian law. One of which is the creation of state level planning appeal boards constituted as quasi-judicial bodies with powers to review and overturn the planning decisions of the local planning authorities.

The Street Drainage and Building Act, 1974 ("SDB Act")

The Street Drainage and Building (Amendment) Act, 2007 revised the SDB Act. It integrates law enforcement with policy by getting the local authority ("**LA**") and the private sector to be involved in the upkeep of street, drainage and building. The SDB Act is applied in the peninsular only and the major amendment is to replace the certification system of occupancy control by the local government.

The certificate of fitness for occupation ("**CFO**") has been abolished. It has been replaced with the certificate of completion and compliance ("**CCC**") issued by the private sector under the by-laws of the SDB Act.

While the CCC applies to new projects, those under construction will be issued the CFOs. Professionals like architects, engineers and registered building draughtsman known as the principal submitting person ("**PSP**") issue the CCC. The PSP must be registered under the Architects Act, 1967 or the Registration of Engineers Act, 1967. The PSP's responsibilities are to submit building plans for approval by the LA, supervise the erection and completion of the buildings and to conform to the requirements of the SDB Act, by-laws and the plan to make sure the building is safe and fit for occupation. Issuance of the CCC depends on six services to be in place:

(i) electrical supply;
(ii) water supply;
(iii) sewerage treatment plant or mains;
(iv) clearance from lifts and machinery department;
(v) clearance from the fire fighting department except for residential buildings not more than 18 m high roads and drainage.

The Malaysian Construction Industry Development Board Act, 1994 ("MCIDB Act")

Functions of the Board as laid down under subsection 4 (1) of MCIDB are as follows:

(i) To promote and stimulate the development, improvement and expansion of the construction industry;
(ii) To advise and make recommendations to the Federal Government and the state governments on matters affecting or connected with the construction industry;
(iii) To promote, stimulate and undertake research into any matter related to the construction industry;
(iv) To promote, stimulate and assist in the export of service related to the construction industry;
(v) To provide consultancy and advisory services with respect to the construction industry;
(vi) To promote quality assurance in the construction industry;
(vii) To initiate and maintain the construction industry information systems;
(viii) To encourage the standardisation and improvement of construction techniques and materials;
(ix) To provide, promote, review and coordinate training programmed organized by the public and private construction training centres for skilled construction workers and construction site supervisors;
(x) To accredit and register contractors and to cancel, suspend or reinstate the registration of any registered contractor; and
(xi) To accredit and certify skilled construction workers and construction site supervisors.

The Strata Titles Act, 1985 ("ST Act")

The strata title is a form of ownership devised for multi-level apartment blocks, which have apartments at different levels or "strata". The Strata Titles (Amendment) Act amended the ST Act to read to facilitate the subdivision of building or land into parcels and the disposition of titles thereto and for purposes connected therewith. Section 2 of the ST Act confirmed that the provisions apply only to West Malaysia.

In regard strata titled properties, the authorities lately insists that the years' quit rent for the master title must be paid before the authorities accept any instrument of dealing relating to a parcel for registration. The document dealing with landed property is issued under the NLC while the strata title is issued under the ST Act. Examples of properties with strata titles are office suites, parcels in commercial complexes, apartments, flats, condominiums and town houses. When strata titles for these are issued, the master title for the land on which the subdivided building stands continues to be registered in the name of the developer. Or when the strata register is established in the name of the management corporation ("**MC**"). However, note that the master title is issued under the NLC and not the ST Act. Problems faced by owners of strata title differs from owners of landed property.

The Building and Common Property (Maintenance and Management) Act, 2007 ("BCP Act")

The Building & Common Property (Maintenance & Management) Act, 2007 was enacted by the Malaysian government recently for the proper maintenance and management of buildings and the common property, after delivery of vacant possession of the premises to the purchasers but before the management corporation is formed. This new law came into force on April 12, 2007. It applies to Peninsular Malaysia and the Federal Territory of Labuan.

Joint Management Body ("**JMB**")

The JMB must be formed after 12 months delivery of vacant possession.

Under Section 4 of the BCP Act, the JMB shall be a body corporate having perpetual succession and a common seal, which may sue and be sued in its name and shall comprise of the developer and the purchasers.

Once the first general meeting of a MC, formulated under the ST Act, has been convened, the JMB is deemed to be dissolved three (3) months from the date of the first general meeting. During the first meeting of the MC, there is also an election of the council members. Although it could be almost the same set of owners of the same strata property, Section 15 of BCP Act stipulates that the JMB must transfer within one month from the date of the first general meeting the followings:

(i) the house rules;

(ii) the audited or unaudited accounts of the building maintenance fund of the JMB and if only unaudited accounts have been handed over, the JMB must not later than three (3) months from the date of the first general meeting of the management corporation;

(iii) all the assets and liabilities of the JMB; and

(iv) the records related to and necessary for the maintenance of the building and its common property.

Section 15(3) stipulates that if the JMB fails to comply with Section 15, every member of the JMB commits an offence and shall on conviction be liable to a fine not exceeding 10,000 RM and shall also be liable to a further fine not exceeding 1,000 RM for every day during which the offence is continued after conviction.

It should be noted that the ST Act Schedule 3 by-laws for the regulations of subdivided building or land is mandatory and by-laws not inconsistent with Schedule 3 by-laws, may be added by special resolution. For continuity sake, the house rules adopted by the JMB should be added to the Schedule 3 by-laws to be passed at the first general meeting of the management corporation.

Building Maintenance Account ("**BMA**")

Under Part IV Section 16, the developer of a strata development must open the BMA in the name of the strata development for each development before the delivery of vacant possession. This applies to all newly completed strata development where the vacant possession has not been delivered to the purchasers as of April 12, 2007.

For developments where vacant possession has been given but the management corporation has not been established and the developer has been collecting charges for the maintenance and management, the developer can continue to do but the developer must comply with Section 21, which is to submit to the Commissioner of Buildings ("**COB**") audited accounts of all moneys including sinking fund collected and expended within six (6) months from the commencement of the BCP Act. The BMA is maintained by the developer until the JMB is formed.

HISTORY AND CORPORATE STRUCTURE

Our History

Our Company commenced operations as a partnership firm constituted under the Indian Partnership Act, 1932 on January 18, 1993 under the name and style of Virwani Builders with its registered office at No.3, Embassy Centre, 11 Crescent Road, Bangalore 560 001. The partners of the firm were Mohan Virwani, Raj Virwani, Jitendra Virwani, Sanjeev Wahi, Sonu Sanjeev Wahi and Anant Sanghvi. The partnership was reconstituted through a partnership deed dated April 1, 1996, between Mohan Virwani, Raj Virwani, Jitendra Virwani, Sanjeev Wahi, Sonu Sanjeev Wahi, Anant Sanghvi and Vandana Virwani. The partners of the firm entered into a supplementary deed of partnership dated July 15, 1996 and declared themselves as a joint stock company in the name of Virwani Builders Private Limited. Pursuant to a deed of co-partnery dated July 26, 1996, the firm was registered as a private limited company under Part IX of the Companies Act, on July 30, 1996 with the name Virwani Builders Private Limited and was allotted company identification number U85110KA1996PTC020897. All the business and property of the erstwhile joint stock company therefore became vested in our Company. Pursuant to a family settlement agreement dated January 9, 1999 between Jitendra Virwani, Vandana Virwani, Karan Virwani, Aditya Virwani, Mohan Virwani, Raj Mohan Virwani, Jaikishan Virwani, Jaya Jaikishan Virwani, Siddanth Virwani, Sanjeev Wahi and Sonu Sanjeev Wahi, the family property comprising several companies and partnership firms including past, present and future rights to any movable, immovable, tangible or intangible of any kind with regard to such properties were partitioned and as a result, several such companies including our Company and the Embassy logo were recognised as belonging to Jitendra Virwani. Pursuant to the approval of a scheme of amalgamation by the High Court of Karnataka through an order dated November 29, 2001, erstwhile Dynasty Developers Private Limited, a company incorporated on August 21, 1997, was merged with our Company with effect from April 1, 2000 and consequently our name was changed to Dynasty Developers Private Limited. Our name was changed to Embassy Property Developments Private Limited pursuant to a certificate of change of name dated April 1, 2010. Our Company was converted into a public limited company on May 25, 2010 with the name Embassy Property Developments Limited and received a fresh certificate of incorporation consequent upon change in status on May 25, 2010 from the RoC and was allotted a company identification number of U85110KA1996PLC020897.

Scheme of Amalgamation

As part of a restructuring, our Company along with Dynasty Stock Holdings Private Limited, Embassy Leasing Private Limited, Embassy Management Consultants Private Limited, Embassy Finvest Private Limited, Embassy Realtors Private Limited, Narpat Holdings Private Limited, Embassy Home Investment Private Limited, LJ-Victoria Properties Private Limited, Starwood Properties Private Limited and Polywood Properties Private Limited had filed a composite scheme of amalgamation under the Companies Act before the High Court of Karnataka ("**Scheme of Amalgamation**"). The Scheme of Amalgamation was approved by the board of directors of our Company and the respective boards of Dynasty Stock Holdings Private Limited, Embassy Leasing Private Limited, Embassy Management Consultants Private Limited, Embassy Finvest Private Limited, Embassy Realtors Private Limited, Narpat Holdings Private Limited, Embassy Home Investment Private Limited, LJ-Victoria Properties Private Limited, Starwood Properties Private Limited and Polywood Properties Private Limited, through resolutions dated November 10, 2008.

Pursuant to the approval of the Scheme of Amalgamation by the High Court of Karnataka through an order dated January 25, 2010 and upon filing of a certified true copy of the order with the RoC, Dynasty Stock Holdings Private Limited, Embassy Leasing Private Limited, Embassy Management Consultants Private Limited, Embassy Finvest Private Limited, Embassy Realtors Private Limited, Narpat Holdings Private Limited and Embassy Home Investment Private Limited, were merged with our Company with effect from April 1, 2008 and LJ-Victoria Properties Private Limited, Starwood Properties Private Limited and Polywood Properties Private Limited were de-merged from our Company with effect from April 1, 2009. The High Court of Karnataka had instructed all the parties to comply with the statutory and other legal requirements.

Our Company on February 16, 2010 filed a certified copy of the order of the High Court of Karnataka with the RoC. With the successful implementation of the Scheme of Amalgamation, the entire undertaking of Dynasty Stock Holdings Private Limited, Embassy Leasing Private Limited, Embassy Management Consultants Private Limited, Embassy Finvest Private Limited, Embassy Realtors Private Limited, Narpat Holdings Private Limited and Embassy Home Investment Private Limited comprising all of its assets and liabilities have transferred and vested in our Company. Since the entire share capital of Dynasty Stock Holdings Private Limited, Embassy Leasing Private Limited, Embassy Management Consultants Private Limited, Embassy Finvest Private Limited, Embassy Realtors Private Limited, Narpat Holdings Private Limited and Embassy Home Investment Private Limited were held by our Company, there was no allotment of shares to any of its members. The rented retail property business of our Company, comprising of leasing of retail property on lease hold land at Victoria Embassy, No. 47/48, Bangalore Central Mall, Residency Road, Richmond Town, Bangalore 560 025, and provision of all related support and ancillary services in relation to such properties, has been transferred to LJ-Victoria Properties Private Limited, the rented commercial property business of our Company, comprising of leasing of 3rd floor of Embassy Icon Annex No 2, Infantry Road, Bangalore 560 001, 1st and 7th floors of Embassy Icon No. 3, Infantry Road, Bangalore 560 001 and the ground and mezzanine floors situated at Embassy Star No. 8 Palace Road, Vasant Nagar, Bangalore 560 052, and provision of all related support and ancillary services in relation to such properties, has been transferred to Starwood Properties Private Limited and the non-rented commercial property business of our Company carried out through the leasing of currently non–leased commercial office of Star Annex situated at Embassy Star - No 8 Palace Road, Vasanth Nagar, Bangalore 560 052, and provision of all related support and ancillary services in relation to such property, has been transferred to Polywood Properties Private Limited. One fully paid up equity share of Rs. 10 each of LJ-Victoria Properties Private Limited was issued and allotted to the shareholders of our Company for every 50 Equity Shares held in our Company. One fully paid up equity share of Rs. 10 each of Starwood Properties Private Limited was issued and allotted to the shareholders of our Company for every 170 Equity Shares held in our Company. One fully paid up equity share of Rs. 10 each of Polywood Properties Private Limited was issued and allotted to the shareholders of our Company for every 800 Equity Shares held in our Company. Upon the Scheme of Amalgamation coming into effect, Dynasty Stock Holdings Private Limited, Embassy Leasing Private Limited, Embassy Management Consultants Private Limited, Embassy Finvest Private Limited, Embassy Realtors Private Limited, Narpat Holdings Private Limited and Embassy Home Investment Private Limited have ceased to exist.

Changes in Registered Office

The registered office of our Company was originally located at 101/102, Embassy Chambers, No.5, Vittal Mallya Road, Bangalore 560 001. Pursuant to a resolution of the Board, it was shifted to First Floor, Embassy Point, 150, Infantry Road, Bangalore 560 001 . Thereafter, pursuant to a resolution of our members dated March 10, 2004, the registered office was shifted to Appana Building, Hegana Halli Post, Kundana Hobli, Nagamangala Village, Devanahalli Taluk, Bangalore 562 101. Pursuant to a resolution of our members dated February 18, 2010, the registered office of our Company was shifted to First Floor, Embassy Point, 150, Infantry Road, Bangalore 560 001. The above changes were effected to facilitate the business of our Company.

Key Events, Milestones and Achievements

Year	Key Events, Milestones and Achievements
1993	Commenced operations as a partnership firm, Virwani Builders
1996	Re-constituted as a joint stock company, Virwani Builders Private Limited and later registered as a private limited company
1998	Received ISO:9001 certification
1999	Partition of family property through execution of a family settlement agreement
2001	Merger of Dynasty Developers Private Limited with our Company, with effect from April 1, 2000 and consequent change of name to Dynasty Developers Private Limited
2003	Completed first phase of Embassy Golflinks Business Park
2004	Commenced projects in Pune and Hyderabad
2006	Commenced international operations in Malaysia and operations in Chennai Completed first phase of Manyata Embassy Business Park

Year	Key Events, Milestones and Achievements
2007	Commenced international operations in Serbia and operations in Coimbatore
2010	Converted into a public limited company and changed name to Embassy Property Developments Limited

Main Objects

Our main objects enable us to carry on our current business. The main objects of our Company as contained in our Memorandum of Association are as follows:

"To acquire land, building and other immovable properties or any interest therein by purchase or otherwise and to carry on other businesses of designing, planning, managing, developing and/or construction of apartments, houses, factory buildings, godowns, warehouses, hotels, farm houses, health clubs, holiday resorts, club house, industrial sheds, housing colonies, public buildings, multistoried buildings, schools, colleges, community halls, shopping complexes, dams, bridges, canals, power projects and playgrounds, tennis court, and/or to carry on the business as civil, mechanical, electrical, water supply and sanitary contractors, builders, real estate agents, real estate developers, suppliers of various services required for residential, commercial, industrial and other units."

Amendments to Memorandum of Association

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

Date of Shareholders' Approval	Amendment
January 7, 2002	Change of name of our Company from Virwani Builders Private Limited to Dynasty Developers Private Limited
December 3, 2009	Change of name of our Company from Dynasty Developers Private Limited to Embassy Property Developments Private Limited
April 25, 2010	Increase in authorised capital from Rs. 30,000,000 divided into 3,000,000 Equity Shares of Rs. 10 each to Rs. 13,000,000,000 divided into 1,300,000,000 Equity Shares of Rs. 10 each
May 25, 2010	Change of status of our Company from private to public and change in name of our Company from Embassy Property Developments Private Limited to Embassy Property Developments Limited

Strategic Partners

Joint venture agreement with MKN Holdings Sdn Bhd

Our company has entered into a joint venture agreement dated November 7, 2005 with MKN Holdings Sdn Bhd, Malaysia, whereby they have incorporated a special purpose vehicle in the form of a joint venture company, MKN Embassy Development Sdn Bhd, incorporated in Malaysia to undertake the development of an information technology business park in the property owned by MKN Holdings Sdn Bhd in CyberJaya IT City, Malaysia. The responsibilities of MKN Holdings Sdn Bhd include obtaining 33 acres of land, associated regulatory approvals and clearances, day to day management, procuring infrastructure and financial facilities from local organizations and infusing capital as per the agreed sharing ratio. Responsibilities of our Company include project marketing to Indian and multinational companies, design and building specifications to suit IT client requirements, evolving specific user requirements from clients, financial evaluations of various models to maximize profitability and infusing capital as per the agreed sharing ratio. Under the terms of the agreement, MKN Holdings Sdn Bhd is to hold 60% of the ordinary shares of the newly incorporated joint venture company while our company is to hold 40% of the ordinary shares of the joint venture company. MKN Holdings Sdn Bhd and our Company shall be entitled to nominate 3 and 2 members respectively to the board of directors of the joint venture company, with MKN Holdings Sdn Bhd retaining management and operational control. However, unanimous consent is required for certain matters such as amendment to the memorandum and articles of association, alteration of the authorized share capital, issuance of new shares or debentures, assignment or other dispositions of substantial all of the Company's assets, winding up, merger or amalgamation of the company, altering the

business plan with regard to the development management agreement with the development company and any borrowings in relation to the business plan. In terms of the above agreement, our Company had through its Subsidiary, Dynasty Business Parks Sdn Bhd obtained a 40% shareholding in the JV Co, which was subsequently transferred to Dynasty International. Further, in terms of the above agreement, MKN Holdings Sdn Bhd, obtained a 60% shareholding in the JV Co. through Azikaf Sdn Bhd.

Joint venture agreement with MK Embassy Land Sdn Bhd

Our wholly owned Subsidiary, Star Dreams, Ritma Mantap Sdn Bhd ("**Ritma Mantap**") and our Associate entity, MKN Embassy Development Sdn Bhd ("**MKN Embassy**") have entered into a memorandum of understanding dated June 24, 2009 ("**MoU**"), to co-operate with each other and to enter into a joint venture relationship for the development of affordable housing in India. Pursuant to the MoU, a joint venture company was set up in Malaysia by the name Milan Gateway Sdn Bhd, which name was later changed to MK Embassy Land Sdn Bhd ("**MK Embassy Land**"). The shareholding of Star Dreams, Ritma Mantap and MKN Embassy in MK Embassy Land are 47.50%, 47.50% and 5.00% respectively. Under the MoU, the parties are not permitted to dispose of all or any of their shareholding in MK Embassy Land without the prior written consent of the other parties. The board of directors of MK Embassy Land is required to comprise of two nominee directors each of Star Dreams and Ritma Mantap and one nominee director of MKN Embassy.

Pursuant to the MoU, Star Dreams, Ritma Mantap, MKN Embassy and MK Embassy Land have entered into a joint venture agreement dated September 16, 2009. Under the terms of the joint venture agreement, Star Dreams is responsible for applying for all regulatory approvals from various departments of the Government of India required for the project, incorporating an Indian company, acquiring land in India, overseeing the construction progress, marketing the project among the people of India and infusing contribution in accordance with the agreed sharing ratio within the time frame and ensuring compliance with the Government of India rules and norms. Ritma Mantap is responsible for organizing the financing facility in Malaysia required for the cost of acquisition of land in India and other cost in relation to the project as required as per the business plan in MK Embassy Land, to develop design concept and building specifications to suit the requirements of property development in India and infusing contribution as per agreed sharing ratio within the time frame and ensuring compliance with Government of India and Malaysia rules and norms. MKN Embassy is responsible for infusing contribution as per agreed sharing ratio within the time frame and ensuring compliance with Government of India and Malaysia rules and norms and to allow MK Embassy Land to use its available office facilities and human resources in Malaysia to reduce the operational cost. Further, Ritma Mantap is required to provide reasonable assistance to Star Dreams to obtain the approval from the Economic Planning Unit ("**EPU**") of the Prime Minister's Department of Malaysia for investment into MK Embassy Land in Malaysia and likewise, Star Dreams is required to render reasonable assistance to Ritma Mantap or MKN Embassy in relation to the investment in the Indian company including repatriation and the acquisition of land.

Further, under the terms of the joint venture agreement, the management matters that require the unanimous decision of either the board or the shareholders, which shall not be taken without the affirmative votes by each of the shareholders and their respective board representatives, includes, among others, appointing or removing key managerial personnel, increase in remuneration of director or CEO or profit sharing scheme, approval of the business plan of the company, entering into any agreements or commitment which imposes or otherwise incurring liabilities exceeding RM one million or its equivalent in Indian Rupees, making amendments to project contracts or any financing agreement etc. Further MK Embassy Land can undertake the following matters only with the unanimous votes from all the representatives of its respective shareholders and their board representatives, such as, effecting an acquisition, merger, public offering, sale of its assets, a liquidation or winding up, authorizing the issuance or transfer of equity shares, changing the number of directors on board of directors, creating a new subsidiary or entering into any joint venture, effecting a recapitalisation or reclassification of any outstanding capital stock, declaring any dividend or making any other distribution etc. Additionally, the terms of the agreement also provide that a shareholder shall not, without the consent of the other shareholders of the company, transfer its shares except to their affiliates. In the event of such transfer to a third party, the other shareholders shall exercise their tag-along right in due proportion and in accordance with the provisions of the agreement that govern the exercise of

tag-along rights. Further, in the event of a default or breach of the agreement by a shareholder, the non-defaulting shareholders shall have the right to exercise their call/ put options as provided for under the agreement. Furthermore, in the event of a deadlock between the shareholders, which cannot be resolved by way of mediation between the parties, Star Dreams shall have the first right to offer to purchase all the shares of Ritma Mantap at fair market value and take over all the shareholders' loans and in the event of failure to do so, Ritma Mantap shall have the right to buy out all the shares of Star Dreams at fair market value and take over its loans.

Our Company has also executed agreements for investments in certain other subsidiaries. For further details see "Other Joint Venture Companies" under "Our Subsidiaries".

Details of our Subsidiaries

Wholly Owned Subsidiaries

Blue Lagoon Real Estate Private Limited

Blue Lagoon Real Estate Private Limited, a company registered under the laws of India, is engaged in the business of acquiring, developing land and to build thereon flats, houses, shops, office space and other buildings and to hold occupy, mortgage, sell or otherwise deal with the same and real estate of all kinds. The project, Embassy Residency (Cochin) is proposed to be developed by Blue Lagoon Real Estate Private Limited together with Neptune Real Estate Private Limited. The authorised share capital of Blue Lagoon Real Estate Private Limited is Rs. 1,000,000 divided into 100,000 equity shares of Rs. 10 each. The issued, subscribed and paid up share capital is Rs. 500,000 divided into 50,000 equity shares of Rs. 10 each. Our Company holds 50,000 equity shares aggregating to 100% of the issued, subscribed and paid up share capital of Blue Lagoon Real Estate Private Limited.

Dynasty Business Parks Sdn Bhd

Dynasty Business Parks Sdn Bhd, a company registered under the laws of Malaysia, is engaged in the business of developing land suitable for the IT sector and business of an investment holding company. The authorised share capital of Dynasty Business Parks Sdn Bhd is RM 100,000 divided into 100,000 ordinary shares of RM 1 each. The issued, subscribed and paid up share capital is RM 2 divided into 2 ordinary shares of RM 1 each. Our Company holds 2 ordinary shares aggregating 100% of the issued, subscribed and paid up share capital of Dynasty Business Parks Sdn Bhd.

Dynasty International

Dynasty International, a company registered under the laws of Cayman Islands, is a holding company. The authorised share capital of Dynasty International is USD 100,000 divided into 100,000 ordinary shares of USD 1 each. The paid up share capital is USD 17,950 divided into 17,950 ordinary shares of USD 1 each, fully held by Embassy Group International.

Embassy Group International

Embassy Group International, a company registered under the laws of Cayman Islands, is a holding company. The authorised share capital of Embassy Group International is USD 100,000 divided into 100,000 ordinary shares of USD 1 each. The paid up share capital is USD 62,000 divided into 62,000 ordinary shares of USD 1 each, fully held by our Subsidiary, Worldcrown Limited.

Embassy Group International (Singapore) Private Limited

Embassy Group International (Singapore) Private Limited, a company registered under the laws of the Republic of Singapore functions as a marketing office. The total paid up share capital of Embassy Group International (Singapore) Private Limited is S$ 100,000 divided into 100,000 ordinary shares of S$1 each, fully held by Embassy Group International.

Neptune Real Estate Private Limited

Neptune Real Estate Private Limited, a company registered under the laws of India, is engaged in the business of acquiring, developing land and to build thereon flats, houses, shops, office space and other buildings and to hold occupy, mortgage, sell or otherwise deal with the same and real estate of all kinds. The project, Embassy Residency (Cochin) is proposed to be developed by Neptune Real Estate Private Limited together with Blue Lagoon Real Estate Private Limited. The authorised share capital of Neptune Real Estate Private Limited is Rs. 1,000,000 divided into 100,000 equity shares of Rs. 10 each. The issued, subscribed and paid up share capital is Rs. 500,000 divided into 50,000 equity shares of Rs. 10 each. Our Company holds 50,000 equity shares aggregating to 100% of the issued, subscribed and paid up share capital of Neptune Real Estate Private Limited.

Star Dreams

Star Dreams, a company registered under the laws of Cayman Islands is engaged in the business of investing in real estate projects. The authorised share capital of Star Dreams is USD 50,000 divided into 50,000 ordinary shares of USD 1 each. The paid up share capital is USD 10,500 divided into 10,500 ordinary shares of USD 1 each, fully held by Dynasty International.

Worldcrown Limited

Worldcrown Limited, a company registered under the laws of the Republic of Cyprus is engaged in the business of an investment company, business relating to real estate in general, developing, buying, selling, leasing or sub-leasing and financing any real estate etc. The authorised share capital of Worldcrown Limited is USD 50,000 divided into 50,000 ordinary shares of USD 1 each. The paid up share capital is USD 28,325 divided into 28,325 ordinary shares of USD 1 each, fully held by our Company.

Worldscope Limited

Worldscope Limited, a company registered under the laws of the Republic of Cyprus, is engaged in the business of an investment company, business relating to real estate in general, developing, buying, selling, leasing or sub-leasing and financing any real estate etc. The authorised share capital of Worldscope Limited is USD 50,000 divided into 50,000 ordinary shares of USD 1 each. The paid up share capital is USD 12,250 divided into 12,250 ordinary shares of USD 1 each, fully held by Dynasty International.

Other Subsidiaries

Concord India Private Limited

Concord India Private Limited, a company registered under the laws of India, is engaged in the business of development and construction of software technology parks. Concord India Private Limited is developing the project, Embassy TechZone at Whitefield, Bangalore. The authorised share capital of Concord India Private Limited is Rs. 20,000,000 divided into 1,500,000 equity shares of Rs. 10 each and 50,000 preference shares of Rs. 100 each. The issued, subscribed and paid up equity share capital is Rs. 7,502,240 divided into 750,224 equity shares of Rs. 10 each. Our Company holds 382,614 equity shares aggregating to 51% of the issued, subscribed and paid up equity share capital of Concord India Private Limited. The remainder of the shareholding in Concord India Private Limited is held by Florence Investments Limited, Mauritius.

Pursuant to a share holding and shareholders agreement dated July 2, 2010 among Florence Investment Limited, our Company and Concord India Private Limited; our Company holds 382,614 Class A shares and Florence Investment Limited holds 367,610 Class B shares constituting 51% and 49% respectively of the share capital of Concord India Private Limited. By virtue of holding Class A shares, our Company has 51% voting rights and 98% of total economic interest in Concord India Private Limited and as class B shareholders, Florence Investment Limited has 49% of voting rights and 2% of total economic interest in

Concord India Private Limited. Under the terms of the agreement, our Company is required to make and the initial and subsequent business plans for Concord India Private Limited and shall be appointed as the project manager for the project to be implemented by Concord India Private Limited. The agreement provides for restrictions on transfer of shares in Concord India Private Limited by either of the shareholders. Further under the terms of the agreement, our Company shall have the right to appoint majority of directors on the board.

Embassy Projects Private Limited

Embassy Projects Private Limited, a company registered under the laws of India, is engaged in the business of acquiring and developing immovable property. The authorised share capital of Embassy Projects Private Limited is Rs. 500,000 divided into 50,000 equity shares of Rs. 10 each. The issued, subscribed and paid up share capital is Rs. 100,000 divided into 10,000 equity shares of Rs. 10 each. Our Company holds 9,900 equity shares aggregating to 99% of the issued, subscribed and paid up share capital of Embassy Projects Private Limited. The remainder of the shareholding in Embassy Projects Private Limited is held by our individual Promoter, Jitendra Virwani.

Embassy Techzones d.o.o. Beograd

Embassy Techzones d.o.o. Beograd, a limited liability company registered under the laws of the Republic of Serbia ("**Embassy Techzones**"), is engaged in the business of real estate development. Embassy Techzones d.o.o. Beograd is developing Embassy TechZone in Serbia. The registered and paid in capital of Embassy Techzones consists of 500 Euros. Our Company holds, through our subsidiary, Worldscope Limited, Cyprus, 90.00% of the registered and paid in capital of Embassy Techzones. The remainder of the ownership interests in Embassy Techzones is held by Hardgate Holdings Limited, Hong Kong.

Embassy Techzones and the Municipality of Indjija ("**Municipality**") have entered into an agreement, dated July 18, 2008 ("**Cooperation Agreement**"), under which Embassy Techzones has undertaken to build an information technology business park, on land that has been provided by the Municipality, and to finance the preparation of the Detailed Urban Regulation Plan, so as to enable the development of the first phase of the business park, which envisages the construction of 25,000 sq. mts. of office and ancillary space.

The obligation to fund the purchase of the land for development of the first phase of the project has been assumed by the Municipality, as a subsidy. Approximately 50 hectares of land required for the first phase of the project have already been acquired.

Embassy Techzones and the Municipality have undertaken that, following the completion of the first phase of the project, additional land of approximately 170 hectares would be secured by the Municipality upon the request of Embassy Techzones, for either lease or purchase by Embassy Techzones for the purpose of developing the second phase of the business park. The Cooperation Agreement will be in effect for an indefinite period of time and may be terminated by either party without any notice.

While we are the registered owner of the land on which the first phase of the business park is to be developed, our status as registered owner of the land is conditional, we do not yet have marketable title and such land could be restituted by a court if we default in the performance of our obligation to timely commence and complete development of the 250,000 sq. ft. of the first phase of the business park. Since we have not commenced development by July 18, 2009, as is required under the terms of the Cooperation Agreement pursuant to which we have acquired the land, we are technically in breach of the Cooperation Agreement. As a result of this breach, our status as registered owner of the land may be revoked by the Municipality of Indjija, in which case we would not be able to commence construction of Embassy TechZone, Serbia. Although we have received a letter of intent from the Mayor of the Municipality of Indjija extending the period for commencement, a formal amendment to the Cooperation Agreement has not been entered into. A "Detailed Urban Regulation Plan" for the business park is being prepared. This plan will, upon approval by the Municipality of Indjija, allow us to commence the process of obtaining all

of the required construction and other permits required for the development of the first phase of the business park.

Nam Estates Private Limited

Nam Estates Private Limited, a company registered under the laws of India, is engaged in the business of designing, developing and constructing residential, commercial and other units and providing services required for these units. The project, Integrated Township is proposed to be developed by Nam Estates Private Limited together with Swire Investments Private Limited at Devanahalli, Bangalore. The authorised share capital of Nam Estates Private Limited is Rs. 1,000,000 divided into 100,000 equity shares of Rs. 10 each. The issued, subscribed and paid up share capital is Rs. 700,000 divided into 70,000 equity shares of Rs. 10 each. Our Company holds 45,740 equity shares aggregating to 65.34% of the issued, subscribed and paid up share capital of Nam Estates Private Limited. The remainder of the shareholding in Nam Estates Private Limited is held by Hollister Limited and H. B. Jairaj.

Pursuant to a share holding and shareholders agreement dated May 28, 2010 among H. B. Jairaj, our Company, Hollister Limited, Mautitius and Nam Estates Private Limited; H. B. Jairaj, our Company, Hollister Limited hold 6.09%, 65.34% and 28.57% respectively of the share capital of Nam Estates Private Limited. Under the terms of the agreement, the day to day management of Nam Estates Private Limited shall be by our Company while the bank account is operated jointly by all the shareholders. The agreement also provides for restrictions on transfer of shares of Nam Estates Private Limited. Under the agreement, the board of directors shall be appointed by our Company with Hollister Limited having the authority to appoint one director subject to the discretion of our Company.

Saphire Realtors Private Limited

Saphire Realtors Private Limited, a company registered under the laws of India, is engaged in the business of designing, developing and constructing residential, commercial and other units and providing services required for these units. The project, Embassy Knowledge Park is proposed to be developed by sapphire Realtors Private Limited. The authorised share capital of Saphire Realtors Private Limited is Rs. 500,000,000 divided into 50,000,000 equity shares of Rs. 10 each. The issued and subscribed share capital is Rs. 500,000,000 divided into 50,000,000 equity shares of Rs. 10 each and the paid up capital is 76,460,000. Our Company holds 49,499,900 equity shares aggregating to 99% of the issued and subscribed share capital of Saphire Realtors Private Limited. The remainder of the shareholding in Saphire Realtors Private Limited is held by our individual Promoter, Jitendra Virwani and a certain other company.

Swire Investments Private Limited

Swire Investments Private Limited, a company registered under the laws of India, is engaged in the business of designing, developing and constructing residential, commercial and other units and providing services required for these units. The project, Integrated Township is proposed to be developed by Swire Investments Private Limited together with Nam Estates Private Limited at Devanahalli, Bangalore. The authorised share capital of Swire Investments Private Limited is Rs. 500,000 divided into 50,000 equity shares of Rs. 10 each. The issued, subscribed and paid up share capital is Rs. 100,000 divided into 10,000 equity shares of Rs. 10 each. Our Company holds 9,900 equity shares aggregating to 99% of the issued, subscribed and paid up share capital of Swire Investments Private Limited. The remainder of the shareholding in Swire Investments Private Limited is held by our individual Promoter, Jitendra Virwani.

Subsidiaries formed as Joint Ventures with other entities

Pune Dynasty Projects Private Limited

Pune Dynasty Projects Private Limited, a company registered under the laws of India, is engaged in the real estate business. Pune Dynasty Projects Private Limited is currently developing the non-SEZ portion of the project, Embassy TechZone in Pune. The authorised share capital of Pune Dynasty Projects Private Limited is Rs. 1,225,000 divided into 62,500 Class A equity shares and 60,000 Class B equity shares of Rs. 10 each.

The issued, subscribed and paid up share capital is Rs. 1,225,000 divided into 62,500 Class A equity shares and 60,000 Class B equity shares of Rs. 10 each. Our Company holds 62,500 Class A equity shares aggregating to 51.02% of the issued, subscribed and paid up share capital in Pune Dynasty Projects Private Limited. The remainder of the shareholding in Pune Dynasty Projects Private Limited is held by Alta Vista Investments Limited ("**Alta Vista**").

Our Company had entered into a joint venture agreement dated June 13, 2008 with Alta Vista and Pune Dynasty Projects Private Limited, whereby Alta Vista held 48.98% in Pune Dynasty Projects Private Limited and which also regulated the terms of governance, management and control of Pune Dynasty Projects Private Limited. Subsequently, Insight Capital had bought the entire share capital of Alta Vista and pursuant to the letter agreement dated June 1, 2010 between Insight Capital, Alta Vista and Pune Dynasty Projects Private Limited, the parties have recorded their proposal to amend the joint venture agreement and certain provisions of the joint venture agreement were terminated.

Our Company has entered into a project development management agreement dated June 13, 2008 with Pune Dynasty Projects Private Limited, to undertake the project management of the project being developed by Pune Dynasty Projects Private Limited. Under the agreement, our Company is entitled to a project management fee at the rate of 7% of the expenditure directly incurred on the construction and development of the project. Pune Dynasty Projects Private Limited has entered into a trademark license agreement dated June 13, 2008 with Embassy Shelters Private Limited, whereby Embassy Shelters Private Limited has provided Pune Dynasty Projects Private Limited with a non-exclusive, non-transferrable license to use the Embassy trademark in relation to its business activities on the identified property in Hinjewadi, Pune in consideration for a license fee of 5% of the profits of Pune Dynasty Projects Private Limited from the said property.

Pune Embassy Projects Private Limited

Pune Embassy Projects Private Limited, a company registered under the laws of India, is engaged in the real estate business. Pune Embassy Projects Private Limited is currently developing the SEZ portion of the project, Embassy TechZone in Pune. The authorised share capital of Pune Embassy Projects Private Limited is Rs. 6,532,000 divided into 333,200 Class A equity shares and 320,000 Class B equity shares of Rs. 10 each. The issued, subscribed and paid up share capital is Rs. 6,532,000 divided into 333,200 Class A equity shares and 320,000 Class B equity shares of Rs. 10 each. Our Company holds 333,200 Class A equity shares aggregating to 51.01% of the issued, subscribed and paid up share capital of Pune Embassy Projects Private Limited. The remainder of the shareholding in Pune Embassy Projects Private Limited is held by Alta Vista.

Our Company had entered into a joint venture agreement dated June 13, 2008 with Alta Vista and Pune Embassy Projects Private Limited, whereby Alta Vista held 48.99% in Pune Embassy Projects Private Limited and which also regulated the terms of governance, management and control of Pune Embassy Projects Private Limited.. Subsequently, Insight Capital had bought the entire share capital of Alta Vista and pursuant to the letter agreement dated June 1, 2010 between Insight Capital, Alta Vista and Pune Embassy Projects Private Limited, the parties have recorded their proposal to amend the joint venture agreement and certain provisions of the joint venture agreement were terminated.

Our Company has entered into a project development management agreement dated June 13, 2008 with Pune Embassy Projects Private Limited, to undertake the project management of the project being developed by Pune Embassy Projects Private Limited. Under the agreement, our Company is entitled to a project management fee at the rate of 7.00% of the expenditure directly incurred on the construction and development of the project. Pune Embassy Projects Private Limited has entered into a trademark license agreement dated June 13, 2008 with Embassy Shelters Private Limited, whereby Embassy Shelters Private Limited has provided Pune Embassy Projects Private Limited with a non-exclusive, non-transferrable license to use the Embassy trademark in relation to its business activities on the identified property in Hinjewadi, Pune in consideration for a license fee of 5% of the profits of Pune Embassy Projects Private Limited from the said property.

Our Associates

Associate entities formed as Joint Ventures with other entities

DM Estates Private Limited

DM Estates Private Limited, a company registered under the laws of India, is engaged in the real estate business. The authorised share capital of DM Estates Private Limited is Rs. 5,000,000 divided into 500,000 equity shares of Rs. 10 each. The issued, subscribed and paid up share capital is Rs. 400,100 divided into 40,010 equity shares of Rs. 10 each. Our Company holds 20,005 equity shares aggregating 50% of the issued, subscribed and paid up share capital of DM Estates Private Limited. The remainder of the shareholding in DM Estates Private Limited are held by two individuals.

Pursuant to a share holding and shareholders agreement dated April 1, 2008 among K.J. George, K.J. Kuruvilla, our Company and DM Estates Private Limited, K.J. George, K.J. Kuruvilla and our Company hold 25.01%, 24.99%, and 50% respectively of the share capital of DM Estates Private Limited. Under the terms of the agreement, certain matters, such as winding up, acquisition, merger, public offering or the sale of all or substantially all of the assets of DM Estates Private Limited, changing the memorandum of association or articles of association, the issuance, transfer or conversion of any new shares or debentures, approving and amending the annual operating budget and business plan, changing the number of directors, creating a new subsidiary or divesting from any subsidiary or entering into any joint venture, declaring dividends, permitting related party transactions, incurring capital expenditures greater than the specified limits, entering into or amending material agreements or transactions relating to immovable property, borrowing in excess of the limits prescribed and change in the status or accounting policies require the affirmative vote of the nominee directors representing the shareholders.

DSRK Holdings Private Limited

DSRK Holdings Private Limited, a company registered under the laws of India, is engaged in the business of developing and constructing apartments and commercial complexes. The authorised share capital of DSRK Holdings Private Limited is Rs. 20,000,000 divided into 2,000,000 equity shares of Rs. 10 each. The issued, subscribed and paid up share capital is Rs. 11,695,880 divided into 1,169,588 equity shares of Rs. 10 each. Our Company holds 584,794 equity shares aggregating 50% of the issued, subscribed and paid up share capital of DSRK Holdings Private Limited of which 11,625 equity shares are partly paid up at Rs. 1 each. The remainder of the shareholding in DSRK Holdings Private Limited is held by HDFC Ventures Trustees Company Limited.

Pursuant to a shareholders agreement dated June 30, 2006 between Jitendra Virwani, Embassy Finvest Private Limited, HDFC Venture Trustee Company Limited and DSRK Holdings Private Limited, Embassy Finvest Private Limited and HDFC Venture Trustee Company Limited hold 50% each of the equity share capital of DSRK Holdings Private Limited. Under the terms of the agreement, the affirmative vote of the nominee director of HDFC Venture Trustee Company Limited is required for several actions which DSRK Holdings Private Limited may undertake, including any winding up, acquisition, merger, public offering or the sale of all or substantially all of the assets of DSRK Holdings Private Limited, changing the memorandum of association or articles of association, the issuance, transfer or conversion of any new shares or debentures, approving and amending the annual operating budget and business plan, changing the number of directors, creating a new subsidiary or divesting from any subsidiary or entering into any joint venture, declaring dividends, permitting related party transactions, incurring capital expenditures greater than the specified limits, entering into or amending material agreements or transactions relating to immovable property, borrowing in excess of the limits prescribed, change in the status or accounting policies. Additionally, the terms also provide that a shareholder shall not transfer or otherwise encumber any of the equity shares of DSRK Holdings Private Limited without the consent of the other shareholders, transfer its shares to a competitor and each shareholder is entitled to exercise its right of first refusal in proportion to its existing shareholding in our Company and in the event of non-exercise of such right, accept dilution of its shareholding or exercise its tag-along right in its due proportion and in accordance

with the provisions of the agreement that govern the exercise of the tag-along right. Further, the promoters, Jitendra Virwani and Embassy Finvest Private Limited have undertaken to provide notice to HDFC Venture Trustee Company Limited prior to taking any decision regarding exercise of any right to acquire or transfer equity shares of Manyata Promoters Private Limited under the shareholders agreement dated June 30, 2006 between Reddy Veeranna, R. Suguna, Embassy Finvest Private Limited, DSRK Holdings Private Limited and Manyata Promoters Private Limited and further that the nominee of DSRK Holdings Private Limited on the board of Manyata Promoters Private Limited shall be nominated by HDFC Venture Trustee Company Limited.

A composite scheme of amalgamation has been filed before the High Court of Karnataka by Manyata Promoters Private Limited, Manyata Projects Private Limited and DSRK Holdings Private Limited whereby the non-STPI and non-SEZ areas of business situated at Nagavara Village, Kasaba Hobli, Bangalore North Taluk and the property earmarked for residential development situated at Rachnehalli Village, K.R. Puram Hobli, Bangalore East Taluk are sought to be transferred from Manyata Promoters Private Limited to Manyata Projects Private Limited and the entire business and undertakings of DSRK Holdings Private Limited are sought to be transferred to Manyata Promoters Private Limited. The scheme of amalgamation has been admitted by the High Court of Karnataka, by its order dated January 6, 2010. The High Court of Karnataka has permitted the applicant companies to convene meetings of their respective shareholders and creditors on February 16, 2010 and has prescribed the requisite quorum for the said meetings and has asked the chairman to file reports within two weeks from the date of such meetings. Further, pursuant to the order of the High Court of Karnataka dated March 31, 2010, Manyata Promoters Private Limited has reconvened the meeting of their unsecured creditors with the requisite quorum. The applicant companies have filed their respective reports upon conveneing meetings of their shareholders and creditors and are awaiting the final order for sanction of the scheme.

G.V. Properties Private Limited

G.V. Properties Private Limited, a company registered under the laws of India, is engaged in the business of developing and constructing apartments and commercial complexes. G.V. Properties Private Limited is currently developing the project, Cinnabar Hills situated at Bangalore. The authorised share capital of G.V. Properties Private Limited is Rs. 500,000 divided into 50,000 equity shares of Rs. 10 each. The issued, subscribed and paid up share capital is Rs. 100,000 divided into 10,000 equity shares of Rs. 10 each. Our Company holds 5,000 equity shares aggregating 50% of the issued, subscribed and paid up share capital of G.V. Properties Private Limited. The remainder of the shareholding in G.V. Properties Private Limited are held by individuals.

Our Company, has entered into a project development management agreement with G.V. Properties Private Limited dated May 19, 2008 under which it has agreed to undertake the project management for the project, Cinnabar Hills being developed by G.V. Properties Private Limited and is entitled to project management fees at the rate of eight percent of the expenditure directly incurred on the construction and development of the project.

Pursuant to the share holding and shareholders agreement dated April 1, 2008 between K.J. George, K.J. Kuruvilla, Suja George, our Company and GV Properties Private Limited, K.J. George, K.J. Kuruvilla, Suja George and our Company hold 16.68%, 16.66%, 16.66% and 50% respectively of the share capital of GV Properties Private Limited. Under the terms of the agreement, certain matters require the affirmative vote of the nominee directors representing K.J. George, K.J. Kuruvilla, Suja George, such as winding up, acquisition, merger, public offering or the sale of all or substantially all of the assets of GV Properties Private Limited, changing the memorandum of association or articles of association, the issuance, transfer or conversion of any new shares or debentures, approving and amending the annual operating budget and business plan, changing the number of directors, creating a new subsidiary or divesting from any subsidiary or entering into any joint venture, declaring dividends, permitting related party transactions, incurring capital expenditures greater than the specified limits, entering into or amending material agreements or transactions relating to immovable property, borrowing in excess of the limits prescribed and change in the status or accounting policies.

Golf Links Software Park Private Limited

Golf Links Software Park Private Limited, a company registered under the laws of India, is engaged in the business of developing and constructing software technology parks with support facilities, residential buildings and other commercial units. Golf Links Software Park Private Limited developed the project, Golflinks Software Park situated at Bangalore. The authorised share capital of Golf Links Software Park Private Limited is Rs. 2,200,000 divided into 220,000 equity shares of Rs. 10 each. The issued, subscribed and paid up share capital is Rs. 2,000,000 divided into 200,000 equity shares of Rs. 10 each. Our Company holds 97,500 equity shares aggregating 48.75% of the issued, subscribed and paid up share capital of Golf Links Software Park Private Limited. The remainder of the shareholding in Golf Links Software Park Private Limited is held by our corporate Promoter and other individuals.

Our Company, *vide*, a project management agreement with Golf Links Software Park Private Limited dated August 10, 2002 has agreed to undertake the project management of the project, Golflinks Software Park, developed by Golf Links Software Park Private Limited and is entitled to project management fee at the rate of 8% of the expenditure incurred on the construction and development of the project.

Pursuant to the share holding and shareholders agreement dated October 1, 2008 between K.J. George, K.J. Kuruvilla, our Company, JV Holding Private Limited and Golf Links Software Park Private Limited, K.J. George, K.J. Kuruvilla, our Company and JV Holding Private Limited hold 33.33%, 16.67%, 48.75% and 1.25% respectively of the share capital of Golf Links Software Park Private Limited. Under the terms of the agreement, certain matters such as winding up, acquisition, merger, public offering or the sale of all or substantially all of the assets of Golf Links Software Park Private Limited, changing the memorandum of association or articles of association, the issuance, transfer or conversion of any new shares or debentures, approving and amending the annual operating budget and business plan, changing the number of directors, creating a new subsidiary or divesting from any subsidiary or entering into any joint venture, declaring dividends, permitting related party transactions, incurring capital expenditures greater than the specified limits, entering into or amending material agreements or transactions relating to immovable property, borrowing in excess of the limits prescribed and change in the status or accounting policies require the affirmative vote of the nominee directors representing the shareholders.

Manyata Promoters Private Limited

Manyata Promoters Private Limited, a company registered under the laws of India, is engaged in the business of developing Manyata Embassy Business Park in Bangalore. The authorised share capital of Manyata Promoters Private Limited is Rs. 100,000,000 divided into 1,000,000 equity shares of Rs. 100 each. The issued, subscribed and paid up share capital is Rs. 100,000,000 divided into 1,000,000 equity shares of Rs. 100 each. Our Company holds 156,270 equity shares aggregating 15.63% of the issued, subscribed and paid up share capital of Manyata Promoters Private Limited. The remainder of the shareholding in Manyata Promoters Private Limited is held by DSRK Holdings Private Limited and two individuals.

Our Company, *vide*, a project management agreement with Manyata Promoters Private Limited dated March 31, 2005 has agreed to undertake the project management of the project, Manyata Embassy Business Park and is entitled to project management fees at the rate of 5% of the expenditure incurred on the construction and development of the project.

Pursuant to a shareholders' agreement dated June 30, 2006 between Reddy Veeranna, R. Suguna, Embassy Finvest Private Limited, DSRK Holdings Private Limited and Manyata Promoters Private Limited, Embassy Finvest Private Limited holds 15%, DSRK Holdings Private Limited holds 36.51% of the equity share capital of Manyata and the remaining is held by the promoters, Reddy Veeranna and R. Suguna. Under the terms of the agreement, the affirmative vote of directors appointed by Embassy Finvest Private Limited and DSRK Holdings Private Limited is required for several actions which Manyata Promoters Private Limited may undertake, including any winding up, acquisition, merger, public offering or the sale of all or substantially all of the assets of Manyata Promoters Private Limited, the issuance, transfer or conversion of any new shares or debentures, approving and amending the annual operating budget and

business plan, changing the number of directors, creating a new subsidiary or divesting from any subsidiary or entering into any joint venture, declaring dividends, changing the memorandum of association or articles of association, incurring capital expenditures greater than the specified limits, entering into or amending material agreements or transactions relating to immovable property, borrowing in excess of the limits prescribed, change in the status or accounting policies before such actions can be effected. Additionally, the terms also provide that a shareholder shall not, without the consent of the other shareholders, transfer its shares to a competitor and each shareholder is entitled to exercise its right of first refusal in proportion to its existing shareholding in Manyata Promoters Private Limited and in the event of non-exercise of such right, accept dilution of its shareholding or exercise its tag-along right in its due proportion and in accordance with the terms provided which govern the exercise of the tag-along right.

A composite scheme of amalgamation has been filed before the High Court of Karnataka between Manyata Promoters Private Limited, Manyata Projects Private Limited and DSRK Holdings Private Limited whereby the non-STPI and non-SEZ areas of business situated at Nagavara Village, Kasaba Hobli, Bangalore North Taluk and the property earmarked for residential development situated at Rachnehalli Village, K.R. Puram Hobli, Bangalore East Taluk are sought to be transferred from Manyata Promoters Private Limited to Manyata Projects Private Limited and the entire business and undertakings of DSRK Holdings Private Limited are sought to be transferred to Manyata Promoters Private Limited. The scheme of amalgamation has been admitted by the High Court of Karnataka, *vide* order dated January 6, 2010 and has permitted the applicant companies to convene meetings of their respective shareholders and creditors on February 16, 2010 and has prescribed the requisite quorum for the said meetings and the chairman to file reports within two weeks from the date of such meetings. Further, pursuant to the order of the High Court of Karnataka dated March 31, 2010, Manyata Promoters Private Limited has reconvened the meeting of their unsecured creditors with the requisite quorum. The applicant companies have filed their respective reports upon conveneing meetings of their shareholders and creditors and are awaiting the final order for sanction of the scheme.

Manyata Promoters Private Limited has entered into a trademark license agreement dated March 31, 2005 with Embassy Shelters Private Limited, whereby Embassy Shelters Private Limited has provided Manyata Promoters Projects Private Limited with a non-exclusive, non-transferrable license to use the Embassy trademark in relation to the software technology park on the identified property in consideration for a license fee of 5% of the profits of Manyata Promoters Private Limited from the said software technology park.

MK Embassy Land Sdn Bhd

MK Embassy Land Sdn Bhd, a company registered under the laws of Malaysia, is engaged in the business of developing land and to create, sell and deal in freehold and leasehold ground rents and to make advances upon the security of land or house or other property, or any interest therein and generally to deal in, by way of sale, lease, exchange or otherwise with land and house property and any other property whether real or personal. The authorised share capital of MK Embassy Land is RM 1,000,000 divided into 1,000,000 ordinary shares of RM 1 each. The issued, subscribed and paid up share capital is RM 250,000 divided into 250,000 ordinary shares of RM 1 each. Our Subsidiary, Star Dreams, holds 118,750 ordinary shares aggregating 47.50% of the issued, subscribed and paid up share capital of MK Embassy Land. The remainder of the shareholding in MK Embassy Land are held by Ritma Mantap and MKN Embassy.

Star Dreams, Ritma Mantap and MKN Embassy have entered into a memorandum of understanding dated June 24, 2009 ("**MoU**"), to enter into a joint venture relationship for the development of affordable housing in India. Pursuant to the MoU, a joint venture company, being MK Embassy Land Sdn Bhd was set up in Malaysia. Further, Star Dreams, Ritma Mantap, MKN Embassy and MK Embassy Land have entered into a joint venture agreement dated September 16, 2009. For further details of the MoU and the joint venture agreement, see section titled "**Strategic Partners**" on page 204 of the Draft Red Herring Prospectus.

MKN Embassy Development Sdn Bhd

MKN Embassy Development Sdn Bhd, a company registered under the laws of Malaysia, is engaged in the

business of developing land suitable for the IT sector and is currently developing the project, MKN Embassy TechZone situated at Malaysia. The authorised share capital of MKN Embassy Development Sdn Bhd is RM 10,000,000 divided into 7,000,000 ordinary shares of RM 1 each and 3,000,000 divided redeemable convertible preference shares of RM 1 each. The issued, subscribed and paid up share capital is RM 250,000 divided into 250,000 ordinary shares of RM 1 each. Our Subsidiary, Dynasty International, holds 100,000 ordinary shares aggregating 40% of the issued, subscribed and paid up share capital of MKN Embassy Development Sdn Bhd. The remainder of the shareholding in MKN Embassy Development Sdn Bhd is held by Azikaf Sdn Bhd.

Our Company has entered into a joint venture agreement dated November 7, 2005 with MKN Holdings Sdn Bhd, Malaysia, whereby they have incorporated a special purpose vehicle in the form of a joint venture company, MKN Embassy Development Sdn Bhd (the "**JV Co**"), incorporated in Malaysia to undertake the development of an information technology business park in the property owned by MKN Holdings Sdn Bhd in CyberJaya IT City, Malaysia. The responsibilities of MKN Holdings Sdn Bhd include the acquisition of approximately 33 acres of land in Cyberjaya, associated regulatory approvals and clearances, day to day management, procuring infrastructure and financial facilities from local organizations and infusing capital as per the agreed sharing ratio. Responsibilities of our Company include project marketing to Indian and multinational companies, design and building specifications to suit IT client requirements, evolving specific user requirements from clients, financial evaluations of various models to maximize profitability and infusing capital as per the agreed sharing ratio. Under the terms of the joint venture agreement, MKN Holdings Sdn Bhd is to hold 60% of the ordinary shares of the JV Co while our company is to hold 40% of the JV Co. MKN Holdings Sdn Bhd and our Company shall be entitled to nominate 3 and 2 members respectively to the board of directors of the JV Co, with MKN Holdings Sdn Bhd retaining management and operational control. However, unanimous consent is required for certain matters such as amendment to the memorandum and articles of association, alteration of the authorized share capital, issuance of new shares or debentures, assignment or other dispositions of all or substantially all of the JV Co's assets, winding up, merger or amalgamation of the JV Co, altering the business plan with regard to the development management agreement with the development company and any borrowings in relation to the business plan.

In terms of the above agreement, our Company had through its Subsidiary, Dynasty Business Parks Sdn Bhd obtained a 40% shareholding in the JV Co, which was subsequently transferred to Dynasty International. Further, in terms of the above agreement, MKN Holdings Sdn Bhd, obtained a 60% shareholding in the JV Co. through Azikaf Sdn Bhd.

MKN Embassy and Quality Project Management Sdn Bhd ("**QPM**") have entered into a facilities management service agreement dated August 22, 2008 whereby, MKN Embassy agreed to appoint QPM to provide facilities management services, such as, cleaning, security, landscaping, pest control, refuse collection, fire alarm, lift maintenance, supervising engineering, air conditioning system, cctv system, intercom, sewerage, car park management, general technical services for a term of 1 year from the date the Blocks A and B of MKN Embassy TechZone is handed over to QPM on a monthly payment of RM 0.62 per sq. ft. based on the net lettable area of the premises.

MKN Embassy has also entered into a project management agreement dated December 15, 2006 with Rimba Mulia Management Sdn. Bhd. ("**Rimba**"), whereby Rimba has been appointed to provide complete project management and construction management consultancy services for the project situated at MKN Embassy TechZone for a lump sum fee of RM 2,040,000 to be disbursed on a monthly drawdown basis. The said fee excludes site office set up, approvals and outstation travel costs. Under the said agreement, Rimba is responsible for all aspects of management of the project, which is situated at Cyberjaya with a built up area of 555,000 sq. ft. and to achieve completion within the agreed time frame, budgeted costs and other parameters. In the event MKN Embassy requires Rimba to provide additional services, Rimba shall do so on payment of certain additional fee, which shall be subject to prior approval by MKN Embassy, of an estimate of such additional fees attributable to such additional services.

MKN Embassy and Rimba have also entered into a project management agreement dated October 16, 2008 whereby, MKN Embassy has appointed Rimba to provide complete project management and construction

management consultancy services for the project situated at Block C (257,666 sq. ft.), MLCP (253,750 sq. ft.), Block D (269,654 sq. ft.) and Cafeteria Block (18,143 sq. ft.) within MKN Embassy TechZone for a lump sum fee of RM 1,388,600 in respect of Block C and the MLC and RM 975,700 in respect of Block D and the Cafeteria Block to be disbursed on a monthly drawdown basis. The said fee excludes site office set up, approvals and outstation travel costs. Rimba shall be responsible for all aspects of the management of the project, which is situated at Cyberjaya and to achieve completion within the agreed time frame, budgeted costs and other parameters. In the event MKN Embassy requires Rimba to provide additional services, Rimba shall do so on payment of certain additional fee, which shall be subject to prior approval by MKN Embassy, of an estimate of such additional fees attributable to such additional services.

RGE Constructions and Development Private Limited

RGE Constructions and Development Private Limited, a company registered under the laws of India, is engaged in the real estate business and is currently developing the project, Embassy Residency situated at Chennai. The authorised share capital of RGE Constructions and Development Private Limited is Rs. 1,00,00,000 (Rupees One Crore) divided into 8,00,000 Class A Equity Shares of Rs. 10 each and 2,00,000 Class B Equity Shares of Rs. 10 each. The issued, subscribed and paid up share capital is Rs.6,095,280 comprising of Rs. 5,060,570 divided into 5,06,057 Class A Equity Shares of Rs.10 each and Rs.1,034,710 divided into 1,03,471 Class B Equity Shares of Rs.10 each. Our Company holds 54,006 Class A equity shares and 103,471 Class B equity shares aggregating 25.83% of the subscribed, issued and paid up capital of RGE Constructions and Development Private Limited. The remainder of the shareholding in RGE Constructions and Development Private Limited are held by Worldpart Limited, Blacksmith Holdings CY Limited and an individual. The holders of Class A equity shares are entitled to all rights of an equity shareholder under Indian law, such as, voting rights, rights to dividend and rights at winding up. However, the holders of Class B equity shares are entitled to one vote per equity share but no other rights of an equity shareholder.

RGE Constructions and Development Private Limited, Worldpart Limited and our Company have entered into an investment agreement dated June 26, 2007 whereby Worldpart Limited and our Company have invested in RGE Constructions and Development Private Limited. Pursuant to the terms of the investment agreement, Worldpart Limited has subscribed to 436,652 fully paid-up Class A equity shares of Rs. 10 each at a per share price of Rs. 10 each and 16,355,435 14% - fully and compulsorily convertible debentures, having a face value of Rs. 100 each at a per debenture price of Rs.100 each and our Company has subscribed to 53,348 fully paid-up Class A equity shares and 102,233 fully paid-up Class B equity shares of Rs. 10 each and 1,984,342 optionally redeemable convertible debentures with face value of Rs. 100. Under the terms of the investment agreement, Worldpart Limited has also assigned to RGE Constructions and Development Private Limited, all their rights, obligations and interests in relation to its agreement with Global Hospitals, a unit of Ravidranath GE Medical Associates Private Limited. Further, Worldpart Limited and our Company are not permitted to transfer or create any encumbrance on its shares other than under specific circumstances permitted as per the terms of the investment agreement such as an inability to obtain conversion of the land proposed for the project development from institutional to residential use, default in relation to project completion or an inability to arrive at an agreeable modality for distribution of capital and profits. Several matters relating to the operation of RGE Constructions and Development Private Limited require the consent of both Worldpart and our Company.

Span Ventures Private Limited

Span Ventures Private Limited, a company registered under the laws of India, is engaged in the business of an investment financial advisory company and in the business of developing, operating and maintaining of SEZs. Span Ventures Private Limited is currently developing the project, Embassy TechZone situated at Eachanari, Coimbatore. The authorised share capital of Span Ventures Private Limited is Rs. 5,000,000 divided into 500,000 equity shares of Rs. 10 each. The subscribed, issued and paid up capital is Rs. 200,000 divided into 20,000 equity shares of Rs. 10 each. Our Company holds 10,000 equity shares aggregating 50% of the subscribed, issued and paid up capital of Span Ventures Private Limited. The remainder of the shareholding in Span Ventures Private Limited are held by Rathinam Techzone India Private Limited. Our Company, under a project management agreement dated July 7, 2007 with Span Ventures Private Limited

agreed to undertake the project management of Embassy TechZone, Coimbatore and is entitled to project management fee at the rate of eight percent of the expenditure incurred on the construction and development of the project.

Madan A. Sendhil, M.P. Arumugam, Embassy Projects Private Limited and Span Ventures Private Limited entered into a share subscription and shareholders agreement dated July 7, 2007. Under the terms of the agreement, Madan A. Sendhil, M.P. Arumugam and Embassy Projects Private Limited held 16.66%, 33.33% and 50.00%, respectively. Subsequently, the parties to the agreement entered into an amendment agreement dated September 30, 2009 whereby Madan A. Sendhil, M.P. Arumugam and Embassy Projects Private Limited each held 20.00%, 30.00% and 50.00%, respectively through an interse transfer of equity shares. Subsequently, the shares of Madan A. Sendhil and M.P. Arumugam were transferred to Rathinam Techzone India Private Limited, the shares of Embassy Projects Private Limited were transferred to our Company and deeds of adherence were executed by Rathinam Techzone India Private Limited and our Company.

Under the terms of the agreement, certain matters such as winding up, acquisition, merger, public offering or the sale of all or substantially all of the assets of Span Ventures Private Limited, changing the memorandum of association or articles of association, the issuance, transfer or conversion of any new shares or debentures, approving and amending the annual operating budget and business plan, changing the number of directors, creating a new subsidiary or divesting from any subsidiary or entering into any joint venture, declaring dividends, permitting related party transactions, incurring capital expenditures greater than the specified limits, entering into or amending material agreements or transactions relating to immovable property, borrowing in excess of the limits prescribed, change in the status or accounting policies require the affirmative vote of at least one of the nominee directors representing each of the shareholders.

Span Ventures Private Limited has entered into a trademark license agreement dated July 7, 2007 with Embassy Shelters Private Limited, whereby Embassy Shelters Private Limited has provided Span Ventures Projects Private Limited with a non-exclusive, non-transferrable license to use the Embassy trademark in relation to its business activities on the identified property in Eachanari, Coimbatore in consideration for a license fee of 5% of the profits of Span Ventures Private Limited from the said property.

Umbel Properties Private Limited

Umbel Properties Private Limited, a company registered under the laws of India, is engaged in the business as promoters, dealers, owners, investors, agents, developers and brokers of real estate, land, buildings and other immovable property. Umbel Properties Private Limited is currently developing the project, Hilton Residence situated at Bangalore. The authorised share capital of Umbel Properties Private Limited is Rs. 500,000 divided into 50,000 equity shares of Rs. 10 each. The issued, subscribed and paid up share capital is Rs. 100,000 divided into 10,000 equity shares of Rs. 10 each. Our Company holds 2,666 shares aggregating 26.67% of the issued, subscribed and paid up share capital of Umbel Properties Private Limited. The remainder of the shareholding in Umbel Properties Private Limited is held by DM Estates Private Limited and Brindhavan Beverages Private Limited.

Pursuant to the share holding and shareholders agreement dated July 8, 2008 between DM Estates Private Limited, Brindavan Beverages Private Limited, our Company and Umbel Properties Private Limited, DM Estates Private Limited, Brindavan Beverages Private Limited and our Company hold 40.00%, 33.34% and 26.66% respectively of the share capital of Umbel Properties Private Limited. Under the terms of the agreement, certain matters such as winding up, acquisition, merger, public offering or the sale of all or substantially all of the assets of Umbel Properties Private Limited, changing the memorandum of association or articles of association, the issuance, transfer or conversion of any new shares or debentures, approving and amending the annual operating budget and business plan, changing the number of directors, creating a new subsidiary or divesting from any subsidiary or entering into any joint venture, declaring dividends, permitting related party transactions, incurring capital expenditures greater than the specified limits, entering into or amending material agreements or transactions relating to immovable property,

borrowing in excess of the limits prescribed and change in the status or accounting policies require the affirmative vote of the nominee directors of the shareholders.

Umbel Properties Private Limited has entered into a management agreement dated June 17, 2005 with Hilton International Co., whereby Hilton has agreed to assist in the completion and operation of the "Hilton Residence" hotel complex at Embassy Golflinks, Survey No. 5/1, Challaghatta Village, Varatur Hobli, Bangalore. Umbel has established a fund of Rs. 1,000,000 for pre-operational staffing and training and other pre-operational expenses under the management agreement. Hilton is entitled to a specified basic management fee and a specified incentive fee. All operating expenditures incurred by Hilton are to be reimbursed by Umbel. The parties have identified specific assets and risks that are required to be insured by Umbel and Hilton respectively. In the event of a damage or destruction, Umbel is required to rebuild the hotel, failing which, Hilton shall have the right to terminate the agreement. The agreement also permits the conditional and restricted use of the "Hilton" trade name during the operating term and in connection with the hotel project. Umbel has the obligations to provide such assistance as may be required by Hilton in the instance of a third party claim. In the event of a breach by Umbel which is not cured within a period of 30 days upon Hilton's notice of intention to terminating the agreement, the agreement terminates automatically. Umbel Properties Private Limited has also entered into a technical assistance services agreement dated June 17, 2005 with Hilton International Co. whereby Hilton has agreed to provide assistance in relation to the construction, furnishing and equipping the "Hilton Residence" hotel complex at Embassy Golflinks for a fixed fee consideration of USD 125,000. Further, Umbel Properties Private Limited has also entered into an international hotel marketing agreement dated June 17, 2005 with Hilton International Co for the purposes of marketing and promoting the "Hilton Residence" hotel.

Other Associate entities

Embassy Real Estates Properties and Holdings Private Limited

Embassy Real Estates Properties and Holdings Private Limited, a company registered under the laws of India, is engaged in the business of investing in real estate and building, promoting and developing real estate projects. The authorised share capital of Embassy Real Estates Properties and Holdings Private Limited is Rs. 20,000,000 divided into 2,000,000 equity shares of Rs. 10 each. The issued, subscribed and paid up share capital is Rs. 20,000,000 divided into 2,000,000 equity shares of Rs. 10 each. Our Company holds 640,000 equity shares aggregating 32% of the issued, subscribed and paid up share capital of Embassy Real Estates Properties and Holdings Private Limited. The remainder of the shareholding in Embassy Real Estates Properties and Holdings Private Limited is held by NSL Power and Infratech Limited, DM Estates Private Limited and Brindavan Beverages Private Limited.

MKE Land Private Limited

MKE Land Private Limited, a company registered under the laws of Mauritius, is engaged in the business of providing financial services. The stated capital of MKE Land Private Limited is USD 100,000 divided into 10,000 ordinary shares of USD 10 each. Our Associate entity, MK Embassy Land Sdn Bhd, holds 10,000 ordinary shares of USD 10 each, aggregating 100% of the issued, subscribed and paid up share capital of MKE Land Private Limited.

Kingsway Dynasty International

Kingsway Dynasty International is a company registered under the laws of Cayman Islands. Kingsway Dynasty International holds all the shares of Worldlodge Limited, a company registered under the laws of the Republic of Cyprus. The authorised share capital of Kingsway Dynasty International is USD 100,000 divided into 100,000 ordinary shares of USD 1 each. The paid up share capital is USD 11,000 divided into 11,000 ordinary shares of USD 1 each, fully held by our Associate entity, Star Pyramid.

Star Pyramid

Star Pyramid, a company registered under the laws of Cayman Islands, is the holding company of Kingsway Dynasty International, a company registered under the laws of Cayman Islands. The authorised share capital of Star Pyramid is USD 50,000 divided into 50,000 ordinary shares of USD 1 each. The paid up share capital is USD 11,000 divided into 11,000 ordinary shares of USD 1 each. Our wholly owned subsidiary, Dynasty International holds 50% of the paid up share capital of Star Pyramid. The remainder of the shareholding in Star Pyramid is held by Kingsway International.

Trafalgar Estate & Properties Private Limited

Trafalgar Estate & Properties Private Limited, a company registered under the laws of India, is engaged in the business of acquiring, developing land and to build thereon flats, houses, shops, office space and other buildings and to hold occupy, mortgage, sell or otherwise deal with the same and real estate of all kinds etc. The authorised share capital of Trafalgar Estate & Properties Private Limited is Rs. 500,000 divided into 50,000 equity shares of Rs. 10 each. The issued, subscribed and paid up share capital is Rs. 100,000 divided into 10,000 equity shares of Rs. 10 each. Our Company holds 5,000 equity shares aggregating to 50% of the issued, subscribed and paid up share capital of Trafalgar Estate & Properties Private Limited. The remainder of the shareholding in Trafalgar Estate & Properties Private Limited is held by DRA Developers & Projects Private Limited.

Worldlodge Limited

Worldlodge Limited, a company registered under the laws of the Republic of Cyprus, is engaged in the business of an investment company, business relating to real estate in general, developing, buying, selling, leasing or sub-leasing and financing any real estate etc. The authorised share capital of Worldlodge Limited is USD 50,000 divided into 50,000 ordinary shares of USD 1 each. The paid up share capital is USD 10,000 divided into 10,000 ordinary shares of USD 1 each, fully held by Kingsway Dynasty International.

Partnership Firms

Embassy – ANL Consortium

Embassy – ANL Consortium, a partnership firm registered under the laws of India, was formed pursuant to a consortium agreement dated December 10, 2004 between our Company and Andhra Networks Limited. It is engaged in the business of development, construction and sale of the Project Embassy Crest located at Plot No. 5, Sy. No. 143, Hoodi Hobli Village, K.R.Puram Taluk, South Bangalore.

Profit and Loss Sharing Ratio

The profit and loss sharing ratio of the partners in the firm is as follows:

Name of Partners	Profit & Loss Sharing Ratio (%)
Embassy Property Developments Limited	50%
Andhra Networks Limited	50%

Magrath Property Developers

Magrath Property Developers, a partnership firm registered under the laws of India, was formed pursuant to a deed of partnership dated September 9, 2002 between P. Dayanand Pai, our Company, Dharmesh Ranka, Manish Ranka, Kanta Ranka, Sanjeev Ranka and Rajeev Ranka. Pursuant to a deed of retirement dated November 12, 2002, P. Dayanand Pai has retired from the partnership, Magrath Property Developers. It is engaged in the business of development and construction of the property at Plot No. 59, Palace Road, Bangalore, known as 'Melville House'.

Profit and Loss Sharing Ratio

The profit and loss sharing ratio of the partners in the firm is as follows:

Name of Partners	Profit & Loss Sharing Ratio (%)
Embassy Property Developments Limited	50%
Dharmesh Ranka	10%
Manish Ranka	10%
Kanta Ranka	10%
Sanjeev Ranka	10%
Rajeev Ranka	10%

Swire Properties

Swire Properties, a partnership firm registered under the laws of India, was formed pursuant to a partnership deed dated December 28, 2006 between our Company, Brindavan Beverages Private Limited and P. Kishinchand. It is engaged in the business of real estate development and owns immovable property in Challaghatta, Bangalore.

Profit and Loss Sharing Ratio

The profit and loss sharing ratio of the partners in the firm is as follows:

Name of Partners	Profit & Loss Sharing Ratio (%)
Embassy Property Developments Limited	50.00%
Brindavan Beverages Private Limited	40.00%
P. Kishinchand	10.00%

Other Development Entities

Joyful Gateway Sdn Bhd

Joyful Gateway Sdn Bhd, a company registered under the laws of Malaysia, is engaged in the business of developing land and to create sell and deal in freehold and leasehold ground rents and to make advances upon the security of land or house or other property, or any interest therein and generally to deal in, by way of sale, lease, exchange or otherwise with land and house property and any other property whether real or personal. The authorised share capital of Joyful Gateway Sdn Bhd is RM 5,000,000 divided into 5,000,000 ordinary shares of RM 1 each. The issued, subscribed and paid up share capital is RM 2,000,000 divided into 2,000,000 ordinary shares of RM 1 each. Our associate company, MKN Embassy Development Sdn Bhd holds 1,200,000 ordinary shares aggregating 60% of the issued, subscribed and paid up share capital of Joyful Gateway Sdn Bhd. The remainder of the shareholding in Joyful Gateway Sdn Bhd is held by Lucky Cottage Sdn Bhd.

MKN Embassy and Lucky Cottage Sdn Bhd ("**Lucky Cottage**") have entered into a memorandum of understanding dated June 22, 2009 whereby the parties have agreed to co-operate with each other to undertake and implement the development of the office block for Shell Malaysia, which entails Shell Malaysia's intention to take a lease of buildings in Cyberjaya constructed in accordance with Shell specifications. The parties have proposed to set up Joyful Gateway Sdn Bhd as the special purpose vehicle to undertake the project.

Under the term of the joint venture, the parties have agreed that the equity shareholding in Joyful Gateway Sdn Bhd shall be such that Lucky Cottage holds 40% and MKN Embassy holds 60%. Further, the board of directors shall consist of five directors, comprising of two nominee directors of Lucky Cottage and three nominee directors of MKN Embassy. The directors shall appoint one of their members to be the Chairman throughout the financial year and shall have a casting vote at meetings of directors or at general meetings of the company. The parties shall identify and acquire the land for the implementation of the project, conduct a feasibility study, arrange for financing required for the project, appoint consultants in relation to the project and other matters to implement the project.

OUR MANAGEMENT

Board of Directors

Under our Articles of Association, we are required to have not less than three and not more than 12 directors. We currently have six directors on our Board.

The following table sets forth details regarding our Board of Directors:

S. No.	Name, Father's Name, Designation, DIN, Residential Address, Occupation, Term	Nationality	Age (years)	Other Directorships/ Proprietorships/Partnerships/Trusts
1.	Jitendra Virwani (S/o. Mohan Virwani) *Managing Director* DIN: 00027674 No. 332, Embassy Woods 6/A, Cunningham Road Bangalore 560 052 *Business* Term: Re-appointed as Managing Director from April 1, 2010, for a term of five years	Indian	44	**Companies** **Domestic companies** 1. All Square Realtors India Private Limited 2. Babbler Marketing Private Limited 3. Blue Lagoon Real Estate Private Limited 4. Book & Marks Hospitality Private Limited 5. Concord India Private Limited 6. Coromandel Engineering Company Private Limited 7. DM Estates Private Limited 8. DSRK Holdings Private Limited 9. Ditrita Developers Private Limited 10. DSRK Holdings (Chennai) Private Limited 11. Dynasty Holdings Private Limited 12. Dynasty Properties Private Limited 13. Embassy Construction Private Limited 14. Embassy Construction Development Private Limited 15. Embassy Housing Finance and Development Private Limited 16. Embassy Knowledge Infrastructure Projects Private Limited 17. Embassy Projects Private Limited 18. Embassy Realtors Private Limited 19. Embassy Shelters Private Limited 20. GV Properties Private Limited 21. Golf Link-Embassy Business Park Management Services

S. No.	Name, Father's Name, Designation, DIN, Residential Address, Occupation, Term	Nationality	Age (years)	Other Directorships/ Proprietorships/Partnerships/Trusts
				Private Limited 22. Golf Links Software Park Private Limited 23. Infantry Holdings Private Limited 24. JEM Cements Private Limited 25. JV Holding Private Limited 26. Kingsway Travel Agencies Private Limited 27. LJ-Victoria Properties Private Limited 28. Manyata Builders Private Limited 29. Manyata Infrastructure Developments Private Limited 30. Manyata Projects Private Limited 31. Manyata Promoters Private Limited 32. Manyata Residential Promoters Private Limited 33. M.D. Properties Private Limited 34. M.D. Realtors Private Limited 35. Magrath Properties Private Limited 36. More-Finanshare Investments Private Limited 37. Nam Estates Private Limited 38. Nam Investments Private Limited 39. Neptune Real Estate Private Limited 40. Oakwood Developers Private Limited 41. Oasis Home Holdings Private Limited 42. Pet Properties and Constructions Private Limited 43. PolyWood Properties Private Limited 44. Pune Dynasty Projects Private Limited 45. Pune Embassy Projects Private Limited 46. Quadrent Realtors Private Limited 47. Raffles Square Development Corporation Private Limited 48. RGE Constructions and Development Private Limited 49. Saltire Developers Private Limited 50. Saphire Infrastructure Development Private Limited 51. Saphire Realtors Private Limited 52. Solomon David Holdings

S. No.	Name, Father's Name, Designation, DIN, Residential Address, Occupation, Term	Nationality	Age (years)	Other Directorships/ Proprietorships/Partnerships/Trusts
				Private Limited 53. Span Ventures Private Limited 54. Starwood Properties Private Limited 55. Stonehill Education Foundation 56. Stylus Commercial Services Private Limited 57. Swire Holdings Private Limited 58. Swire Investments Private Limited 59. Swire Tech-Park Private Limited 60. Trafalgar Estate & Properties Private Limited 61. Udhyaman Investments Private Limited 62. Umbel Properties Private Limited 63. VIC Steels Private Limited 64. Wildflower Estate & Resorts Private Limited 65. Zeus Commodities Private Limited **Offshore companies** 1. Acquarius International, Dubai 2. Dynasty Business Parks Sdn Bhd 3. Dynasty Capital 4. Dynasty International 5. Embassy Group International 6. Embassy Group International (Singapore) Private Limited 7. Embassy Mapletree Trust Management Limited 8. Embassy Techzone d.o.o. Beograd 9. Kingsway-Dynasty International 10. MKN Embassy Development Sdn Bhd 11. Star Dreams 12. Star Pyramid 13. Worldcrown Limited 14. Worldglow Limited 15. Worldlodge Limited 16. Worldscope Limited **Partnership Firms** 1. Havelock Development Corporation 2. Global Façade Solutions 3. Repute Builders Hardware 4. Ramakrishna & Company

S. No.	Name, Father's Name, Designation, DIN, Residential Address, Occupation, Term	Nationality	Age (years)	Other Directorships/ Proprietorships/Partnerships/Trusts
				Trusts 1. Embassy Education and Welfare Trust 2. Dynasty Developers Employees' Gratuity Trust 3. JV Family Trust
2.	Narpat Singh Choraria (S/o. Hansraj Choraria) *Director* DIN: 00027580 Flat No. 603, Embassy Orchid 57/38, 8th Main, R.M.V. Extension 1st Stage, Bangalore 560 080 *Business* Term: Re-appointed as Director from April 1, 2010, for a term of five years	Indian	56	**Companies** 1. Concord India Private Limited 2. Ditrita Developers Private Limited 3. Dynasty Properties Private Limited 4. Embassy Construction Development Private Limited 5. Embassy Housing Finance & Development Private Limited 6. Embassy Knowledge Infrastructure Projects Private Limited 7. JEM Cements Private Limited 8. JV Holding Private Limited 9. MD Realtors Private Limited 10. PolyWood Properties Private Limited 11. Saphire Realtors Private Limited 12. Solomon David Holdings Private Limited 13. StarWood Properties Private Limited 14. Stonehill Education Foundation 15. Swire Holdings Private Limited 16. Swire Properties Private Limited 17. Three Idiots Entertainments Private Limited 18. Trafalgar Estate & Properties Private Limited 19. Udhyaman Investments Private Limited 20. VIC Steels Private Limited
3.	K. Y. Gopi Krishnan (S/o. Kunjukunju Yesodharan) *Director and CEO* DIN: 00056536 No. 402, Embassy Tranquil 22, 8th Main Road, 3rd Block Koramangala, Bangalore 560 034 *Business* Term: Re-appointed as Director and CEO from April 1, 2010, for a term of five	Indian	44	**Companies** **Domestic companies** 1. Blue Lagoon Real Estate Private Limited 2. Concord India Private Limited 3. Core Team Property Consultants Private Limited 4. Ditrita Developers Private Limited 5. DM Estates Private Limited 6. DNR Estates Private Limited 7. DS and MS Shelter Private Limited

S. No.	Name, Father's Name, Designation, DIN, Residential Address, Occupation, Term	Nationality	Age (years)	Other Directorships/ Proprietorships/Partnerships/Trusts
	years			8. DSRK Holdings (Chennai) Private Limited 9. Dynasty Holdings Private Limited 10. Embassy Knowledge Infrastructure Projects Private Limited 11. Embassy Projects Private Limited 12. Embassy Shelters Private Limited 13. First Partner Developers Private Limited 14. Front Age Real Estate Private Limited 15. Golf Link-Embassy Business Park Management Services Private Limited 16. Golf Links Software Park Private Limited 17. GV Properties Private Limited 18. Infantry Holdings Private Limited 19. JEM Cements Private Limited 20. Mainland Realties Private Limited 21. Magrath Properties Private Limited 22. M.D. Properties Private Limited 23. More-Finanshare Investments Private Limited 24. Neptune Real Estate Private Limited 25. Pet Properties & Constructions Private Limited 26. Pune Dynasty Projects Private Limited 27. Pune Embassy Projects Private Limited 28. Raffles Square Development Corporation Private Limited 29. Saltire Developers Private Limited 30. Saphire Infrastructure Development Private Limited 31. Span Ventures Private Limited 32. Stylus Commercial Services Private Limited 33. Swire Holdings Private Limited 34. Swire Properties Private Limited 35. Udhyaman Investments Private Limited 36. VIC Steels Private Limited

S. No.	Name, Father's Name, Designation, DIN, Residential Address, Occupation, Term	Nationality	Age (years)	Other Directorships/ Proprietorships/Partnerships/Trusts
				Offshore companies 1. Dynasty Business Parks Sdn Bhd 2. Embassy Mapletree Trust Management Limited 3. MK Embassy Land Sdn Bhd 4. MKN Embassy Development Sdn Bhd **Partnership Firms** 1. Kuppuswamy Holdings
4.	P. Vaidyanathan (S/o. N. Panchapagesan) *Independent Director* DIN: 00029503 7AB, Block III, Kences Enclave No.1, Chari Street, T Nagar Chennai 600 017 *Professional* Term: Appointed as director on June 2, 2010	Indian	62	**Companies** 1. City Union Bank Limited 2. Hatsun Agro Product Limited 3. Economist Communications Limited 4. Suja Shoel Industries Limited
5.	S. Chandra Das (S/o. Rajagopal Sitaram) *Independent Director* DIN: 00304798 No. 28, Cassia Drive Singapore 289721 *Businessman* Term: Appointed as director on June 2, 2010	Singaporean	70	**Companies** 1. Ascott Residence Trust Management Ltd 2. CapitalMall Trust Management Limited 3. Cougar Logistics Corporation Ltd 4. Goodpack India Pte Ltd 5. Hongguo International Holdings Ltd 6. Myanmar Singapore Plantation Limited 7. Nera Telecommunications Ltd 8. Yeo Hiap Seng Ltd
6.	Kishore Biyani (S/o Laxminarayan Biyani) *Independent Director* DIN: 00005740 406, Jeevan Vihar Manav Mandir Road Mumbai 400 006 India Businessman Term: Appointed as director on June 2, 2010	Indian	49	**Domestic Companies** 1. Chaste Investment Private Limited 2. Erudite Trading Private Limited 3. ESES Commercials Private Limited 4. Fame India Limited 5. Future Brands Limited 6. Future Capital Holdings Limited 7. Future Corporate Resources Limited 8. Future Generali India Insurance Company Limited 9. Future Generali India Life

S. No.	Name, Father's Name, Designation, DIN, Residential Address, Occupation, Term	Nationality	Age (years)	Other Directorships/ Proprietorships/Partnerships/Trusts
				Insurance Company Limited 10. Future Media (India) Limited 11. Future Ventures India Limited 12. Galaxy Entertainment Corporation Limited 13. Galaxy Rain Restaurants Private Limited 14. Home Solutions Retail (India) Limited 15. Indian Merchant Chambers 16. Jagran Prakashan Limited 17. Kumar Urban Development Limited 18. Manz Retail Private Limited 19. Naman Mall Management Company Private Limited 20. New Horizon Retail Private Limited 21. Pantaloon Retail (India) Limited 22. Retailers Association of India 23. Simpleton Investrade Private Limited 24. Varnish Trading Private Limited **Partnerships** 1. BLB Trading & Investments Consultants **Sole Proprietorship** 1. A B Investment & Securities

All the Directors of our Company, except for S. Chandra Das, are Indian nationals. Further, none of our Directors are related to each other.

There are no arrangements or understanding with major shareholders, customers, suppliers or others, pursuant to which any of our Directors were selected as a Director or member of the senior management except as per the Articles of Association of our Company.

Brief biographies of our Directors

Jitendra Virwani, has over 23 years of experience in the real estate and property development sector. He joined the family business in the year 1986, at the age of 20, as a liaison executive. He has been the Managing Director of our Company since incorporation. He has been re-appointed as the Managing Director of our Company from April 1, 2010, for a term of five years. He has been a member of the Young Presidents Organisation since 1996 and also a member of the Equestrian Federation of India since 2000. He owns one of India's largest privately owned riding academies situated in Bangalore and also founded the Stonehill International School, Bangalore in the year 2008. He is responsible for the over-all management of our Company.

K.Y. Gopi Krishnan, has over 15 years of experience in the real estate and property development sector. He holds a Bachelor's degree in Mechanical Engineering from the University of Kerala. He joined our Company on June 3, 1997 as Vice President, Business Development and became our Director in the year 2002. He has been re-appointed as the Director and CEO of our Company from April 1, 2010, for a term of

five years. Prior to joining our Company, he was working as Area Sales Manager with HCL Limited from 1992 to 1993. He is currently responsible for all operations of our Company.

Narpat Singh Choraria, has over 25 years of experience in the real estate and property development sector. He holds a Bachelor's degree in Commerce from Calcutta University. He has been a part of our Company since incorporation. He held the office of Chief Financial Officer of our Company from 2000 to 2005 and became our Director in the year January 20, 2007. He has been re-appointed as the Director of our Company from April 1, 2010, for a term of five years. Prior to joining our Company, he has worked as General Manager with Wajdi International Traders, Dubai. He is currently responsible for handling investor relationships and land issues of our Company.

P. Vaidyanathan, is a qualified Chartered Accountant, Company Secretary and Cost and Works Accountant. He joined the Board of our Company on June 2, 2010. He is a promoter of Integrated Enterprises (India) Limited, a retail financial services providing company. He has over 35 years of experience in the financial services sector. He is also a member of the Disciplinary Action Committee of NSDL and editor of the magazine The Integrated Share News.

S. Chandra Das, holds a Bachelor's degree in Economics (Hons.) from the University of Singapore. He joined the Board of our Company on June 2, 2010. Prior to joining our Company, he was the Singapore Trade Representative to the Soviet Union from 1970 to 1971. He held the office of Managing Director of Intraco Ltd from 1976 to 1986. He was a member of the Trade Development Board from 1983 to 1986. He held the office of Chairman of several public companies, including, The Polyolefin Company (S) Pte Ltd (TPC), Jurong Shipyard Limited and Jurong Engineering Limited. He has won several awards, including, Fellow of the Chartered Institute of Transport in 1996, Rochdale Medal from Singapore National Co-operative Federation Ltd in 1998, President's medal from Singapore Australian Business Council in 2000, Global Award for Promotion of International Business and Co-operative Movement from Priyadarshini Academy (Mumbai) in 2002, Hon. Doctor of Business from the University of Newcastle, Australia in 2004, Distinguished Service (Star) Award from National Trades Union Congress in 2005 and Hon. Doctor of Commercial Science from St. John's University, New York in 2005.

Kishore Biyani, holds a Bachelors degree in Commerce from HR College, Mumbai and a Post Graduate degree in Marketing from Institute of Marketing & Management, New Delhi. He joined the Board of our Company on June 2, 2010. He has over 25 years of experience in the field of manufacturing and retailing. He is currently the Chief Executive Officer of Future Group and is the founder and managing director of Pantaloon Retail (India) Limited. He has worked with Pantaloon Retail since 1997. He has received the Ernst & Young Entrepreneur of the Year (in the services sector) award in 2006, the Lakshmipat Singhania – IIM Lucknow National Leadership award in 2006, and the CNBC India Business Leadership Awards' First Generation Entrepreneur of the Year in 2006.

Remuneration of our Executive Directors

Jitendra Virwani was appointed as our Managing Director on July 31, 1996. He has been re-appointed as the Managing Director from April 1, 2010 for a term of five years, pursuant to a board resolution dated September 21, 2009. The terms of his employment and remuneration, include the following:

Particulars	Remuneration
Salary	• Rs.30,000,000 per annum
Bonus	• Rs. 30,000,000 per annum
Contribution to provident fund	• Rs. 288,000 per annum
Perquisites	• Other benefits, including, insurance, car, telephone, travel, medical and other employee benefits shall be as per the Company's policies

Jitendra Virwani received an annual remuneration aggregating to Rs. 18.29 million for the year 2009-2010.

Narpat Singh Choraria was first appointed as Additional Director on February 24, 1998. He was re-appointed as Director with effect from March 1, 1998. He has been re-appointed as the Director from April 1, 2010 for a term of five years, pursuant to a board resolution dated September 21, 2009. The terms of his employment and remuneration include the following:

Particulars	Remuneration
Salary	• Rs. 6,522,216 per annum
Contribution to provident fund	• Rs. 391,332 per annum
Car Reimbursement	• Rs. 810,000 per annum
Bonus	• Rs. 2,565,910 per annum
Gratuity	• Rs. 156,780 per annum
Gifts	• Rs. 3,002 per annum
Perquisites	• Other benefits, including, insurance, car, telephone, travel, medical and other employee benefits shall be as per the Company's policies

Narpat Singh Choraria received an annual remuneration aggregating to Rs. 8.27 million for the year 2009-2010.

K. Y. Gopi Krishnan was appointed as a Director on April 1, 2002. He has been re-appointed as Director and CEO with effect from April 1, 2010 for a term of five years, pursuant to a board resolution dated September 21, 2009. The terms of his employment and remuneration include the following:

Particulars	Remuneration
Salary	• Rs. 9,781,872 per annum
Contribution to provident fund	• Rs. 586,908 per annum
Car Reimbursement	• Rs. 810,000 per annum
Bonus	• Rs. 3,848,301 per annum
Gratuity	• Rs. 235,140 per annum
Gifts	• Rs. 3,002 per annum
Perquisites	• Other benefits, including, insurance, car, telephone, travel, medical and other employee benefits shall be as per the Company's policies

K. Y. Gopi Krishnan received an annual remuneration aggregating to Rs. 12.00 million for the year 2009-2010.

Except as stated above, there are no service contracts entered into by the Directors with our Company providing for benefits upon termination of employment.

Details of Borrowing Powers of our Board

Our Articles, subject to the provisions of Section 293(1)(d) of the Companies Act authorize our Board, to borrow or raise money or secure the payment of any sum or sums of money for the purposes of our Company. The shareholders of our Company, through a resolution passed at the EGM dated April 25, 2010, authorised our Board to borrow monies together with monies already borrowed by us, in excess of the aggregate of the paid up capital of our Company and its free reserves, not exceeding Rs. 50,000 million at any time.

Interest of Directors

All of our Directors may be deemed to be interested to the extent of fees payable to them for attending meetings of the Board or a committee thereof as well as to the extent of other remuneration and

reimbursement of expenses payable to them under our Articles, and to the extent of remuneration paid to them for services rendered as an officer or employee of our Company.

Our Directors may also be regarded as interested in the Equity Shares, if any, held by them or that may be subscribed by or allotted to the companies, firms, trusts, in which they are interested as directors, members, partners, trustees and promoters, pursuant to this Issue. All of our Directors may also be deemed to be interested to the extent of any dividend payable to them and other distributions in respect of the said Equity Shares.

For details of interests of our Promoters who are also our Executive Directors, see "Our Promoters" on page 237.

Except as stated in "Related Party Transactions" on page 421, and to the extent of shareholding in our Company, if any, our Directors do not have any other interest in our business. Further, see "Our Promoter - Interests of Promoters and Common Pursuits" on page 238.

Except as stated in this Draft Red Herring Prospectus, our Directors have no interest in any property acquired by us two years prior to the date of this Draft Red Herring Prospectus.

Corporate Governance

We have complied with the Listing Agreement with respect to corporate governance especially with respect to broad basing of our Board, constituting committees such as Audit Committee, Investors Grievance Committee and Remuneration/Compensation Committee. Further, the provisions of the Listing Agreement to be entered into with the Stock Exchanges with respect to corporate governance will be applicable to us immediately upon the listing of our Equity Shares on the Stock Exchanges. We have complied with such provisions, including with respect to the appointment of independent Directors to our Board and the constitution of committees of our Board. We have also adopted the Corporate Governance Code in accordance with Clause 49 of the Listing Agreements to be entered into with the Stock Exchanges prior to listing.

Our Company undertakes to take all necessary steps to comply with all the requirements of Clause 49 of the Listing Agreement to be entered into with the Stock Exchanges.

Currently, our Board has six Directors, consisting of, our Managing Director, Director and CEO, Director and three independent Directors. Further, in compliance with Clause 49 of the Listing Agreement, the following Committees have been formed.

Audit Committee

The Audit Committee of our Board was constituted by our Board in terms of their resolution dated June 2, 2010 to ensure the objectivity, credibility and correctness of our Company's financial reporting and disclosure processes, internal controls, risk management policies and processes, tax policies, compliance and legal requirements and associated matters. The Audit Committee consists of P. Vaidyanathan, an independent Director of the Company as the chairman and S. Chandra Das, Kishore Biyani and K. Y. Gopi Krishnan as its other members.

The terms of reference of the Audit Committee include:

- oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible;
- recommending to the Board the appointment, re-appointment and, if required, the replacement or removal of the statutory auditors and the fixation of the audit fees;
- approval of payment to the statutory auditors for any other services rendered by the statutory auditors;

- reviewing, with the management, the annual financial statements before submission to the Board for approval, with particular reference to:
    a. matters required to be included in the Directors' Responsibility Statement to be included in the Board's report in terms of clause (2AA) of section 217 of the Companies Act, 1956,
    b. changes, if any, in accounting policies and practices and reasons for the same,
    c. major accounting entries involving estimates based on the exercise of judgment by the management,
    d. significant adjustments made in the financial statements arising out of audit findings,
    e. compliance with listing and other legal requirements relating to financial statements,
    f. disclosure of any related party transactions,
    g. qualifications in the draft audit report;
- reviewing, with the management, the quarterly financial statements before submission to the Board for approval;
- reviewing, with the management, performance of statutory and internal auditors, and adequacy of the internal control systems;
- reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- discussion with internal auditors any significant findings and follow up there on;
- reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
- discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- to look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non payment of declared dividends) and creditors;
- to monitor the utilization of the Issue proceeds; and
- such other functions as may be specifically referred to, by the Board, from time to time.

Investor Grievance Committee

The Investor Grievance Committee of our Board was constituted by our Board in terms of their resolution dated June 2, 2010. The Investor Grievance Committee consists of P. Vaidyanathan, an independent Director of the Company as the chairman and Narpat Singh Choraria and K. Y. Gopi Krishnan as its other members.

The terms of reference of the Investor Grievance Committee shall be to look into redressal of shareholder and investor complaints in matters such as the transfer/transmission of shares, issue of duplicate share certificates, review of dematerialised shares and all related matters, monitoring expeditious redressal of investors' grievances, non-receipt of annual reports and dividends, and all other matters related to shares/debentures.

Compensation Committee

The Compensation Committee of our Board was constituted by our Board in terms of their resolution dated June 2, 2010. The Compensation Committee consists of Kishore Biyani, an independent Director of the Company as the chairman and S. Chandra Das and P. Vaidyanathan as its other members.

The terms of reference of the Remuneration/Compensation Committee include:

- To determine the remuneration of executive Directors;
- To formulate, administer and adopt the Employees' Stock Option Plan (ESOP) of the Company;
- To review and approve any disclosures in the annual report or elsewhere in respect of compensation policies or directors' compensation;

- To obtain such outside or professional advice as it may consider necessary to carry out its duties;
- To invite any employee or seek such document as it may deem fit for exercising of its functions;
- To attend to such matters with respect to the remuneration of senior employees if such matters are referred by the Managing Director;
- To attend to any other responsibility as may be entrusted by the Board;
- To frame policies and compensation including salaries and salary adjustments, incentives, bonuses, promotion, benefits, stock options and performance targets of the senior management;
- To formulate strategies for attracting and retaining employees, employee development programmes;
- To determine the Company's remuneration policy, having regard to performance standards and existing industry practice; and
- To carry out such other functions as may be specifically referred to, by the Board, from time to time.

IPO Committee

The IPO Committee was constituted by our Board in terms of their resolution dated June 2, 2010. The IPO Committee consists of Jitendra Virwani, K.Y. Gopi Krishnan and Narpat Singh Choraria.

The terms of reference of the IPO Committee include:

- To appoint the various intermediaries such as Lead Manager / Book Running Lead Managers, Underwriters, Bankers, Registrar to Issue, Brokers, legal consultants, depositories, IPO Grading Agency, Monitoring Agency and such other experts as may be required.
- To finalize the terms of the issue including number of shares, price band, green shoe option, employee reservation and other related matters in consultation with the lead manager and in compliance with the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009.
- To complete all formalities related to applying for in-principle approval and the final approval of the stock exchanges where the shares of the Company are proposed to be listed.
- Issue and allotment of shares including signing of share certificates and other corporate actions for issuing shares through dematerialization.
- To take all such actions and give all such directions as may be necessary or desirable and also to settle any question or difficulty that may arise in regard to the creation, offer, issue and allotment of equity shares and further to do all such acts, deeds, matters and things and to execute all such deeds, documents and writings as may be necessary, desirable or expedient in connection with the issue of equity shares.

Shareholding of our Directors in our Company

Except as provided hereunder, no other Directors hold any shares in the share capital of our Company.

In terms of our Articles of Association, the Directors are not required to hold any qualification shares. The table below sets forth the details of Equity Shares that are held by our Directors.

S. No.	Name	Number of Equity Shares	Pre-Issue Percentage Equity Share Capital	Post-Issue Percentage Equity Share Capital
1.	Jitendra Virwani	3,810,000*	0.39	[●]
2.	Jitendra Virwani jointly with Narpat Singh Choraria	381	0.00	[●]
3.	Jitendra Virwani jointly with K.Y. Gopi Krishnan	381	0.00	[●]

** Excluding 381 Equity Shares jointly held with Narpat Singh Choraria; 381 Equity Shares jointly held with K.Y. Gopi Krishnan; 381 Equity Shares jointly held with P.R. Ramakrishnan; 381 Equity Shares jointly held with Rajesh Bajaj and 381 Equity Shares jointly held with A.T. Gopinath*

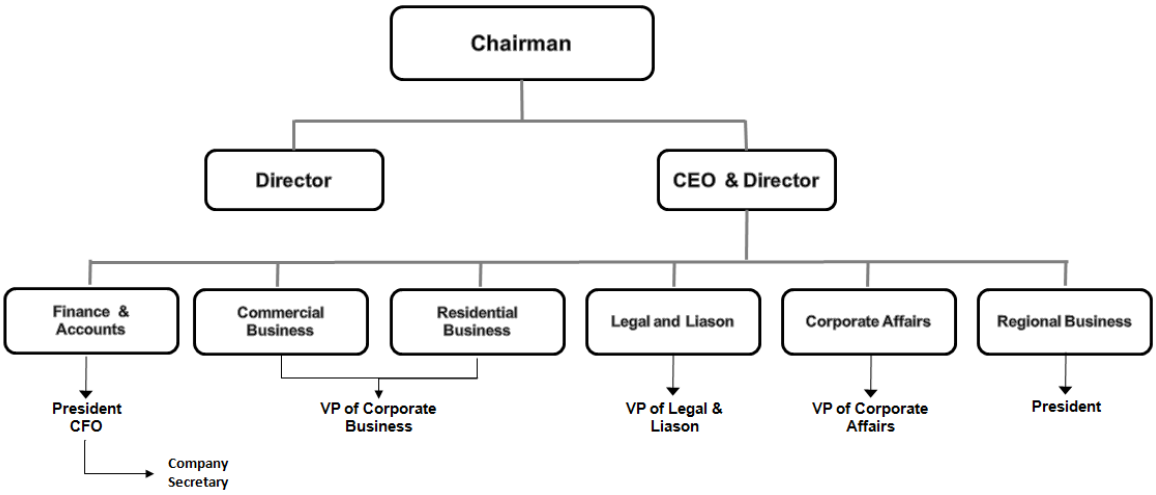
There are no outstanding vested options granted to our Directors.

Changes in our Board of Directors during the last three years

Name	Date of Appointment	Date of Change/ Cessation	Reason
Vandana Virwani	August 5, 1997	August 21, 2007	Resignation
P. Vaidyanathan	June 2, 2010	-	Appointment
S. Chandra Das	June 2, 2010	-	Appointment
Kishore Biyani	June 2, 2010	-	Appointment

Managerial Organisation Structure

Our Company's management organisation structure is given below:



Key Management Personnel of our Company

For a brief biography of Jitendra Virwani, Managing Director, Narpat Singh Choraria, Director and K. Y. Gopi Krishnan, Director and CEO, see "Our Management – Brief Biographies of our Directors" on page 227. The biographies of our other key management personnel are set forth below:

S. Vasudevan, ***President***, aged 55 years, joined our Company on October 1, 2006. He is currently in charge of our Company's projects in Tamil Nadu. He is a qualified Chartered Accountant. Prior to joining our Company, he has worked as Chief Executive - Southern Region with DLF Limited from June 1, 2006 to October 1, 2006. He has also worked with A.C. Muthiah Group (the promoters of SPIC Group) for 23 years where he held various positions. Prior to joining the A.C. Muthiah Group, he has worked as Managing Director of South India Corporation (Agencies) Limited (SICAL). He has over 20 years of experience in the real estate sector. The remuneration paid to him in Fiscal 2010 in the capacity of President of our Company was approximately Rs. 5,155,008.

Ramakrishnan P.R., ***President – Finance***, aged 57 years, joined our Company as Chief Financial Officer on December 15, 2006 and held office of the Chief Financial Officer of our Company till November 2009. He holds a Bachelor's degree in Mathematics from the University of Chennai and is a fellow member of the Institute of Chartered Accountants of India since 1979. He is currently responsible for corporate tax structuring and equity investments involving our Company. Prior to joining our Company, he worked as Deputy Managing Director with TG Kirloskar Automotives Private Limited from August 2005 to

December 2006. He has over 30 years of experience in various sectors, such as, property development, automobile and technology sectors. He was a member of the Taxation Advisory Panel of the Apparel Export Promotion Council, Karnataka and was a member of the Taxation and Finance Committee of the Confederation of Indian Industry, Karnataka. The remuneration paid to him in Fiscal 2010 in the capacity of President - Finance of our Company was approximately Rs. 5,118,324.

Badri Krishnaswami, ***Chief Financial Officer***, aged 46 years, joined our Company as the Chief Financial Officer on December 1, 2009. He is a qualified Company Secretary and Chartered Accountant. He is currently responsible for all financial matters of our Company. He is a fellow member of the Institute of Chartered Accountants of India since 1987 and a fellow member of the Institute of Company Secretaries of India since 1989. He has over 23 years of experience in various sectors, *viz.*, manufacturing, infrastructure, property development and services sector. Prior to joining our Company he has worked as Chief Financial Officer with East Coast Energy Private Limited from April 2009 to November 2009. The remuneration paid to him in Fiscal 2010 in the capacity of Chief Financial Officer of our Company was approximately Rs. 3,771,595.

Gopinath Ambadi Thody, ***Vice-President - Finance***, aged 47 years, joined our Company as Senior Manager - Finance/ Banking on June 7, 1997. He holds a Bachelor's degree in Business Management from Mysore University. He is currently responsible for project finance and debt funding requirements of our Company and management of the Special Economic Zones, credit and vendor management functions of our Company. Prior to joining our Company, he worked as Audit Manager with P. Srinivasan & Co., Chartered Accountants, for over 10 years. He has over 23 years of experience in project finance, banking, secretarial and commercial sectors, with over 14 years of experience in property development. The remuneration paid to him in Fiscal 2010 in the capacity of Vice-President - Finance of our Company was approximately Rs. 2,701,740.

Rajesh R. Bajaj, ***Vice-President - Corporate Affairs***, aged 44 years, joined our Company as Manager - Special Projects on August 5, 1995. He is currently responsible for the corporate affairs and public relations of our Company. He has over 25 years of experience in the real estate sector. The remuneration paid to him in Fiscal 2010 in the capacity of Vice-President - Corporate Affairs of our Company was approximately Rs. 1,904,448.

Sharon Rodrigues, ***Vice-President - Corporate Business***, aged 37 years, joined our Company as Marketing Executive on September 7, 1997. She holds a Bachelor's degree in Commerce from University of Goa and a Post-Graduate Diploma in Business Administration with specialisation in Marketing from Mount Carmel Institute of Management, University of Bangalore. She is currently responsible for business development and marketing of the commercial projects of our Company. Prior to joining our Company, she has worked as Centre Head (Managerial) with Aptech Education India Private Limited from 1993 to 1995. She has over 12 years of experience with 10 years experience in property development. The remuneration paid to her in Fiscal 2010 in the capacity of Vice-President - Corporate Business of our Company was approximately Rs. 2,300,172.

A. B. Mandanna, ***Vice-President - Legal & Liaison***, aged 50 years, joined our Company as Vice President - Legal and Liaisoning on July 14, 2009. He holds a Bachelor's degree in Law from S.J.R.C. College of Law, University of Bangalore, a Post-Graduate Diploma in Personnel Management and Industrial Relations from St. Joseph's College of Business Administration, Bangalore and a Bachelor's degree in English from Osmania University, Hyderabad. He is currently the head of the legal department of our Company and is in charge of all legal documentation including all litigation involving our Company. He has over 30 years of experience in various sectors, such as, hospitality, human resource development, property development and property management. Prior to joining our Company, he has worked as Director and Chief Executive Officer of Davanam Constructions Private Limited from June 2008 to July 2009. He has also worked as Deputy Commissioner and Head of various departments with the Bruhat Bangalore Mahanagara Palike (BBMP) from 2000 to 2008. He has also worked as Deputy Manager - Law (Class–I) with Karnataka State Financial Corporation (KSFC), Government of Karnataka, from 1991 to 2000, as Personnel and Administrative Manager with HMT (a Government of India Undertaking) for five years and as Executive

Sailor with the Indian Navy for a perod of five years. The remuneration paid to him in Fiscal 2010 in the capacity of Vice-President - Legal & Liaison of our Company was approximately Rs. 1,598,017.

Sandeep Subramanya, ***General Manager - Corporate Finance***, aged 37 years, joined our Company as Chief Officer - Corporate Finance on December 2, 2005. He holds a Bachelor's degree in Engineering from the University of Bombay and a Master's degree in Business Administration with specialization in Finance from the University of California, Los Angeles. He was certified as a Chartered Alternative Investment Analyst (CAIA) designation on October 27, 2009. He is currently responsible for identifying and evaluating equity investments, disinvestments and corporate financial planning and reporting for our Company. Prior to joining our Company, he has worked as an Associate with Claiborne Advisors, an investment banking firm, from 2003 to 2005. Prior to joining Claiborne Advisors, he has worked as a consultant with Citibank from 1999 to 2002. The remuneration paid to him in Fiscal 2010 in the capacity of General Manager - Corporate Finance of our Company was approximately Rs. 1,789,872.

H. N. Ravindra, ***General Manager - Liaison***, aged 44 years, joined our Company as Manager - Liaison on November 1, 2002. He holds a Bachelor's degree in Commerce from the University of Mangalore. He is currently responsible for liaisoning with various departments on behalf of the Company. Prior to joining our Company, he has worked as General Manager – Liaison with Bagmane Developers Private Limited from January 1, 1988 to October 30, 2002. He has over 20 years experience in the real estate sector. The remuneration paid to him in Fiscal 2010 in the capacity of General Manager - Liaison of our Company was approximately Rs. 1,459,740.

Suresh C., ***General Manager,*** aged 51 years, joined our Company as General Manager on March 1, 2007. He holds a Bachelor's degree in Commerce from Karnataka University and is a qualified Company Secretary. He is currently in-charge of finance and accounts of our Chennai and Coimbatore operations. Prior to joining our Company, he has worked as Deputy General Manager in South India Corporation (Agencies) Limited (part of the M.A.Chidambaram Group) from 1994 to 2007, as Company Secretary in Autolec Industries Limited from 1990 to 1994 and in Best and Crompton from 1980 to 1990. He has over 30 years of experience in finance, accounts and secretarial work of various business verticals, including the property development sector. The remuneration paid to him in Fiscal 2010 in the capacity of General Manager of our Company was approximately Rs. 1,729,104.

Chandrasekar B., ***General Manager - Finance & Accounts,*** aged 37 years, joined our Company as Deputy General Manager - Finance & Accounts on April 7, 2007. He holds a Bachelor's degree in Commerce from the University of Chennai and is an Associate Member of the Institute of Chartered Accountants of India since 1996. He is currently responsible for accounting, finance, reporting and audit deliveries of our Company. He has over 13 years of experience in automobile, telecom and services sector. Prior to joining our Company, he worked as Manager, Finance in Trilogy E Business Software Solutions Private Limited. He has also worked with Nokia India Private Limited, Toyota Kirloskar Auto Parts Private Limited and TVS Motor Company Limited. The remuneration paid to him in Fiscal 2010 in the capacity of General Manager - Finance & Accounts of our Company was approximately Rs. 1,746,420.

J. Veerraju, ***Company Secretary,*** aged 38 years, joined our Company as the Company Secretary on April 28, 2010. He is a qualified Company Secretary and has completed his Master's degree in Law, Post Graduate Diploma in Planning and Project Management and Post Graduate Diploma in Alternate Dispute Resolution from NALSAR University of Law, Hyderabad. He is currently responsible for all RoC, Stock Exchange and secretarial matters of our Company. He has over 15 years of experience in all facets of company secretarial and legal matters. Prior to joining our Company he worked as Company Secretary with Suchirindia Developers Private Limited. He has also worked with Maytas Infra Limited, Pennar Profiles Limited and Sujana Group of companies. Since he joined our Company in April 2010, he has not received any remuneration in Fiscal 2010.

All our Key Managerial Personnel are permanent employees of our Company and none of our Key Managerial Personnel are related to each other.

Shareholding of the Key Management Personnel

The table below sets forth the details of Equity Shares that are held by our Key Management Personnel:

S. No.	Name	Number of Equity Shares	Pre-Issue Equity Share Capital	Post-Issue Equity Share Capital %
1.	P.R. Ramakrishnan jointly with Jitendra Virwani	381	3,810	[●]
2.	Rajesh Bajaj jointly with Jitendra Virwani	381	3,810	[●]
3.	A.T. Gopinath jointly with Jitendra Virwani	381	3,810	[●]

Bonus or profit sharing plan of the Key Management Personnel

Agreement dated August 19, 2000

Pursuant to an agreement dated August 19, 2000, 55 employees of our Company, Embassy Constructions & Developments Private Limited and Embassy Services Private Limited have formed an 'association of persons' under the name of 'Embassy Holdings' with effect from April 1, 1998 having its principal place of business at First Floor, Embassy Point, 150, Infantry Road, Bangalore to provide certain services to our Company, Embassy Constructions & Developments Private Limited and Embassy Services Private Limited as a single agency on a collective basis. Under the terms of this agreement, any person on becoming an employee of any of our Company, Embassy Constructions & Developments Private Limited or Embassy Services Private Limited becomes a member of the association by default and shall cease to be a member of the association on ceasing to be an employee of any of such companies. Profits of the association are distributed in such proportion as that of each member's average monthly salary against the total average monthly salaries of all members. No member shall be entitled to any dividend unless he completes five consecutive years of service with one or more of these companies. Dividend declared shall not be less than 25.00% or more than 50.00% of the profits of the relevant financial year. All decisions of the association are taken by a board of management constituted for this purpose and investments and fund management decisions are taken by an investment committee.

Changes in the Key Management Personnel

The changes in the Key Management Personnel in the last three years are as follows:

Name of the Key Management Person	Date of Change	Reason for change
A. B. Mandanna	July 14, 2009	Appointment as Vice President - Legal and Liaisoning
Badri Krishnaswami	December 1, 2009	Appointment as Chief Financial Officer and Company Secretary
Badri Krishnaswami	April 28, 2010	Resignation as Company Secretary
J. Veerraju	April 28, 2010	Appointment as Company Secretary

Other than the above changes, there have been no changes to the Key Management Personnel of our Company that are not in the normal course of employment.

Payment or benefit to officers of our Company

Except as stated in this Draft Red Herring Prospectus, no amount or benefit has been paid or given or is intended to be paid or given to any of our Company's employees including the Key Management Personnel and our Directors. None of the beneficiaries of loans and advances and sundry debtors are related to the Directors of our Company. Further, see "Employee Stock Option Plans" on page 40.

OUR PROMOTERS

Our Individual Promoter

Jitendra Virwani

Driving License No.: KA01 19840000534

Passport No.: Z1733978

PAN: AAVPV0738P

Voter's Identity: AKB1486588

Our Company confirms that the Permanent Account Number, Bank Account Number and Passport Number of our individual Promoter have been submitted to the BSE and the NSE at the time of filing this Draft Red Herring Prospectus with them.

For further details in relation to our Promoter see "Our Management" on page 221.

JV Family Trust

The JV Family Trust is a private discretionary and irrevocable trust settled by our corporate Promoter, JV Holding Private Limited, through a deed of declaration of trust dated July 2, 2010, under the laws of India. The original trustees of the trust consists of our individual Promoter Jitendra Virwani, Anup Shah and Kirit Sanghvi and the beneficiaries of the trust consists of 68 individuals who are primarily the family members of our Directors and key managerial personnel. The trust fund consists of 75,000,000 Equity Shares of face value of Rs. 10 each, transferred by the Settlor to the original trustees of the trust and all the property that may be added thereto by way of further settlement or accretion or accumulation of income capital or otherwise. The trust fund shall vest with the original trustees till the vesting day, which shall be upon the completion of 10 years from the date of execution of the settlement deed or such earlier day as may be decided by the original trustees. Further, as per the terms of the trust deed, the original trustees may decide from time to time to distribute the capital and the accumulated income of the trust fund among any or all of the beneficiaries at anytime, even prior to the vesting day, in such proportion and manner as they may decide. The powers of the trustees include among others, to retain the trust property in the actual state or condition in which it was received by the trustees, to invest the trust money for the acquisition of property, to hold the whole or part of the trust fund in the name of any of their nominees, to invest any part of the trust fund in the securities of any company without being obliged in any way to interfere in the management of such company or its affairs.

The original trustees on behalf of JV Family Trust hold 7.69% of our paid-up Equity Share capital.

Our Corporate Promoter

JV Holding Private Limited

JV Holding Private Limited is a private limited company incorporated under the Companies Act on January 29, 2008 with its registered office at First Floor, Embassy Point, No. 150, Infantry Road, Bangalore 560 001, Karnataka. It has a paid up share capital of Rs. 138,309,440. It is promoted by Jitendra Virwani. The company is permitted to carry on the business of an investment company and particularly to invest in, acquire, hold, sell, underwrite and otherwise deal in shares, stocks, debenture stocks, bonds and securities of any kind issued or guaranteed by any company or body corporate or other persons, landed properties and real estates and to carry on the business of investments, holdings and property developers etc. JV Holding Private Limited has also filed a registration before the RBI for registration as a non-banking financial company. The board of directors of our corporate Promoter consists of Jitendra Virwani and Narpat Singh Choraria.

Our corporate Promoter holds 91.92% of the share capital of our Company.

None of the equity shares of JV Holding Private Limited are listed on any stock exchange and it has not made any public or rights issue of securities in the preceding three years.

We confirm that the Permanent Account Number, Bank Account Number, Company Registration Number and the address of the Registrar of Companies where our corporate Promoter is registered have been submitted to the BSE and the NSE at the time of filing this Draft Red Herring Prospectus with them.

Shareholding of JV Holding Private Limited:

S.No	Shareholder	Number of shares	Percentage
1.	Jitendra Virwani	13,830,934	99.99%
2.	Narpat Singh Choraria	10	0.00%#
	TOTAL	**13,830,944**	**100.00%**

#Less than 0.01%

Financial Performance

The audited financial results of JV Holding Private Limited for Fiscals 2009, 2008, 2007 is set forth

Rs. in million

	For the year ended		
	March 31, 2009	**March 31, 2008**	**March 31, 2007**
Equity capital (par value Rs. 10)	0.10	0.10	-
Sales and other income	0.00	0.00	-
Profit/Loss after tax	(0.35)	(0.053)	-
Reserves and Surplus	-	-	-
Earnings per share (Rs)	(0.00035)	-	-
Book Value per share (Rs)	0.00001	0.00001	-

Common Pursuits and Interest of Promoters

Our Promoters are interested in us to the extent that they have promoted our Company and their shareholding in us. Further, our individual Promoter, who is also the Managing Director of our Company, may be deemed to be interested to the extent of remuneration and compensation paid to him and fees, if any, payable to him for attending meetings of the Board or a committee thereof as well as to the extent of expenses payable to him.

Our Promoters may be deemed to be interested in our Company to the extent of their shareholding in our Subsidiaries and our Group Entities with which our Company transacts during the course of our operations. For details, see “Details of our Subsidiaries” on page 206 and “Group Entities” on page 241.

Our individual Promoter is further interested in the operations of our Company to the extent of the bank guarantees issued by him as security for certain of our borrowings. For details, see "Financial Indebtedness" on page 468.

Our Promoters may also be deemed to be interested in our Company to the extent that they or any entities promoted by them hold an interest in any of our Completed, Ongoing or Proposed Projects or the lands on which they are being developed.

Our Promoters have entered into a non-compete undertaking with our Company, whereby they have undertaken not to either directly or indirectly engage or otherwise participate in activities or services which compete or may compete with our business of development of real estate projects, including housing, commercial, retail, hotels, special economic zones, townships, information technology parks and industrial parks.

Except as stated otherwise in this Draft Red Herring Prospectus, we have not entered into any contract, agreements or arrangements during the preceding two years from the date of this Draft Red Herring Prospectus in which our Promoters are directly or indirectly interested and no payments have been made to them in respect of the contracts, agreements or arrangements which are proposed to be made with them including the properties purchased by us other than in the normal course of business.

Confirmations

Our Promoters have confirmed that they have not been declared 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 and no proceedings pertaining to such penalties are pending against them.

Additionally, none of our Promoters have been restrained from accessing the capital markets for any reasons by the SEBI or any other authorities.

Further, none of our Promoters was or is a promoter, director or person in control of any other company which is debarred from accessing the capital markets under any order or directions made by the Board.

Payment or Benefit to our Promoters

Except as stated in "Related Party Transactions" on page 421, no amount or benefit has been paid or given to any Promoter within the two years preceding the date of filing of this Draft Red Herring Prospectus and no such amount or benefit is intended to be paid.

Disassociation by the Promoters in the last three years

Name of the Company	Relationship with the Promoter	Reasons for Disassociation	Date of Disassociation
Davis Investments	Promoter was a partner	Dissolution of partnership	March 31, 2008
Lyrus Fitness Private Limited	Promoter was a shareholder	Sale of shares	March 25, 2009
Udhay-VG Realty Private Limited	Promoter was a shareholder	Sale of shares	July 6, 2009
Udhay-JVG Realty Private Limited	Promoter was a shareholder	Sale of shares	July 6, 2009
Embassy Residency International, Cayman Islands	Promoter was a shareholder	Removed from the register of companies	September 30, 2009
Star Lyra, Cayman Islands	Promoter was a shareholder	Removed from the register of companies	September 30, 2009
Star Indus, Cayman Islands	Promoter was a shareholder	Removed from the register of companies	September 30, 2009
Star Centaur, Cayman	Promoter was a shareholder	Removed from the register of	September 30, 2009

Islands		companies	
Star Phoenix, Cayman Islands	Promoter was a shareholder	Removed from the register of companies	September 30, 2009
Saltire Developers Private Limited	Promoter was a shareholder	Sale of shares	January 15, 2010
Magrath Properties Private Limited	Promoters were shareholders	Sale of shares	February 22, 2010

GROUP ENTITIES

The following are the list of entities forming part of our Group Entities:

Indian Entities

Companies

1. All Square Realtors India Private Limited
2. Anko Construction Private Limited
3. Babbler Marketing Private Limited
4. Book & Marks Hospitality Private Limited
5. Cosmos Construction Consultants Private Limited
6. Ditrita Developers Private Limited
7. DSRK Holdings (Chennai) Private Limited
8. Dynasty Holdings Private Limited
9. Dynasty Properties Private Limited
10. Embassy Constructions and Developments Private Limited
11. Embassy Housing Finance and Developments Private Limited
12. Embassy Knowledge Infrastructure Projects Private Limited
13. Embassy Services Private Limited
14. Embassy Shelters Private Limited
15. Facade and Glazing Technologies Private Limited
16. Golf Link-Embassy Business Park Management Services Private Limited
17. Infantry Holdings Private Limited
18. JEM Cements Private Limited
19. Kingsway Travel Agencies Private Limited
20. LJ-Victoria Properties Private Limited
21. M.D. Realtors Private Limited
22. Manyata Builders Private Limited
23. Manyata Projects Private Limited
24. Manyata Residential Promoters Private Limited
25. More-Finanshare Investments Private Limited
26. Nam Investments Private Limited
27. Oakwood Developers Private Limited
28. Oasis Home Holdings Private Limited
29. Pet Properties and Constructions Private Limited
30. PolyWood Properties Private Limited
31. Raffles Square Development Corporation Private Limited
32. RG-Lakeside Properties Private Limited
33. Solomon David Holdings Private Limited
34. StarWood Properties Private Limited
35. Stonehill Education Foundation
36. Stylus Commercial Services Private Limited
37. Swire Holdings Private Limited
38. Swire Properties Private Limited
39. Swire Tech-Park Projects Private Limited
40. Udhyaman Investments Private Limited
41. VIC Steels Private Limited
42. Vijaygi Investments Private Limited
43. Wildflower Estate & Resorts Private Limited
44. Zeus Commodities Private Limited

Partnerships

1. Embassy Brindavan Developers
2. Embassy Development Corporation
3. Havelock Development Corporation
4. Mall Ventures
5. Global Facade Solutions
6. Ramakrishna & Company
7. Repute Builders Hardware

Trusts

1. Dynasty Developers Employees Gratuity Trust
2. Embassy Education and Welfare Trust

Foreign Entities

1. Aquariuz FZ-LLC
2. Dynasty Capital
3. Worldglow Limited

None of the equity shares of our Group Entities are listed on any stock exchange and they have not made any public or rights issue of securities in the preceding three years.

Top five Group Entities based on turnover are as follows:

1. Golf Link-Embassy Business Park Management Services Private Limited
2. Embassy Services Private Limited
3. Stylus Commercial Services Private Limited
4. Kingsway Travel Agencies Private Limited
5. Stonehill Education Foundation

Details of our top five Group Entities based on turnover are provided below:

Golf Link-Embassy Business Park Management Services Private Limited

Golf Link-Embassy Business Park Management Services Private Limited, a company incorporated on September 20, 1994, under the laws of India, is engaged in the business of acquiring land, building and other immovable properties by purchase, lease or otherwise and to construct residential apartments, commercial buildings, shops, offices, godowns, industrial sheds and other allied structures, buildings and works of common utility for sale and/ or for allocation or allotment or generally to grant right of use, exploitation and enjoyment of such structures or the usufruct therefrom to members of the company or to any other person or body corporate, to design, develop, produce, manufacture, buy, sell, import, export etc or otherwise deal in ready-made garments of various fabrics or garment manufacturing machinery, sewing machinery, knitting machinery and other allied machinery.

The authorised share capital of Golf Link-Embassy Business Park Management Services Private Limited is Rs. 500,000 divided into 50,000 equity shares of Rs. 10 each and the paid-up capital of Golf Link-Embassy Business Park Management Services Private Limited is Rs. 100,000 divided into 10,000 equity shares of Rs. 10 each. Our corporate Promoter holds 50% of the issued and paid-up capital of Golf Link-Embassy Business Park Management Services Private Limited. The remaining equity shares of Golf Link-Embassy Business Park Management Services Private Limited are held by certain individuals.

Financial Performance

(Rs. in million except per share data)

	For the year ended		
	March 31, 2009	**March 31, 2008**	**March 31, 2007**
Equity capital (par value Rs. 10 per share)	0.10	0.10	0.10
Sales and other income	252.66	213.42	160.41
Profit/Loss after tax	15.36	12.42	21.23
Reserves and Surplus	59.08	43.72	31.30
Earnings per share (Rs)	1,536.00	1,024.22	2,122.51
Book Value per share (Rs)	5,918.07	4,381.90	3,139.68

Embassy Services Private Limited

Embassy Services Private Limited, a company incorporated on September 28, 1995, under the laws of India, is engaged in the business to as agents, contractors, sub-contractors or otherwise and do business of running business centres, travel agency, agency for payment of utility bills, baby sitting services or such other services required by buildings, apartments, flats, bungalows, hotels, offices, commercial complexes and such other establishments and their owners, tenants and occupants.

The authorised share capital of Embassy Services Private Limited is Rs. 500,000 divided into 50,000 equity shares of Rs. 10 each and the paid-up capital of Embassy Services Private Limited is Rs. 100,000 divided into 10,000 equity shares of Rs. 10 each. Our Promoters collectively hold 100% of the issued and paid-up capital of Embassy Services Private Limited.

Financial Performance

(Rs. in million except per share data)

	For the year ended		
	March 31, 2009	**March 31, 2008**	**March 31, 2007**
Equity capital (par value Rs. 10 per share)	0.10	0.10	0.10
Sales and other income	228.74	80.88	10.51
Profit/Loss after tax	10.99	13.68	2.94
Reserves and Surplus	31.30	20.70	7.03
Earnings per share (Rs)	1,099.50	1,367.61	294.00
Book Value per share (Rs)	3,139.70	2,080.12	712.51

Stylus Commercial Services Private Limited

Stylus Commercial Services Private Limited, a company incorporated on September 5, 2005, under the laws of India, is engaged in the business of establishing, operating and maintaining business centre and to provide commercial and management development services, co-related services, establish and provide facilities and technical know-how to commercial establishment, real estate development, post development maintenance and management of properties and estates and to provide and carry out all kind of support services for commercial and management development including business process outsourcing.

The authorised share capital of Stylus Commercial Services Private Limited is Rs. 500,000 divided into 50,000 equity shares of Rs. 10 each and the paid-up capital of Stylus Commercial Services Private Limited is Rs. 500,000 divided into 50,000 equity shares of Rs. 10 each. Our individual Promoter holds 25% of the issued and paid up capital of Stylus Commercial Services Private Limited. The remaining equity shares of Stylus Commercial Services Private Limited are held by three individuals.

Financial Performance

(Rs. in million except per share data)

	For the year ended		
	March 31, 2009	**March 31, 2008**	**March 31, 2007**
Equity capital (par value Rs. 10)	0.50	0.50	0.50
Sales and other income	106.71	70.22	18.20
Profit/Loss after tax	10.46	1.95	4.91
Reserves and Surplus	16.98	6.52	4.58
Earnings per share (Rs)	209.10	38.90	98.18
Book Value per share (Rs)	349.55	140.44	101.54

Kingsway Travel Agencies Private Limited

Kingsway Travel Agencies Private Limited, a company incorporated on September 23, 2002, under the laws of India, is engaged in the business as tourist agents, tour operators both domestic and international and business of transport, carriers, hirers, cartage and haulage contractors, garage proprietors, owners and charters of taxicab, motor vehicles and other public or private conveyance, aircrafts and ships, tugs, barges, boats etc and as commission agents, custom agents, stevedores, wharfingers, cargo superintendents, packers, haulers, warehousemen, storekeeper etc.

The authorised share capital of Kingsway Travel Agencies Private Limited is Rs. 500,000 divided into 50,000 equity shares of Rs. 10 each and the paid-up capital of Kingsway Travel Agencies Private Limited is Rs. 100,000 divided into 10,000 equity shares of Rs. 10 each. Our individual Promoter holds 25% of the issued and paid-up capital of Kingsway Travel Agencies Private Limited. The remaining equity shares of Kingsway Travel Agencies Private Limited are held by five individuals.

Financial Performance

(Rs. in million except per share data)

	For the year ended		
	March 31, 2009	**March 31, 2008**	**March 31, 2007**
Equity capital (par value Rs. 10)	0.10	0.10	0.10
Sales and other income	39.87	48.92	34.83
Profit/Loss after tax	0.87	0.29	(0.34)
Reserves and Surplus	-	-	-
Earnings per share (Rs)	87.33	28.55	(34.13)
Book Value per share (Rs)	10.00	10.00	10.00

Stonehill Education Foundation

Stonehill Education Foundation, a company incorporated under section 25 of the Companies Act on April 22, 2008 is engaged in the business of providing education, training and knowledge support services of all kinds and description to any person through appropriate awareness education programs through schools, colleges, institutions and training centres without any limitation to any functional field or area of education and without any profit motive and to position itself as an institution dedicated to promote general education, advanced education in the field of engineering, medical, management and research of all kinds and description and all type of research and electronic governance.

The authorised share capital of Stonehill Education Foundation is Rs. 500,000 divided into 50,000 equity shares of Rs. 10 each and the paid-up capital of Stonehill Education Foundation is Rs. 500,000 divided into 50,000 equity shares of Rs. 10 each. Our individual Promoter holds 99.99% of the issued and paid up capital of Stonehill Education Foundation. One equity share of Stonehill Education Foundation is held by another individual.

Financial Performance

(Rs. in million except per share data)

	For the year ended		
	July 31, 2009	**March 31, 2008**	**March 31, 2007**
Equity capital (par value Rs. 10)	0.50	-	-
Sales and other income	34.61	-	-
Profit/Loss after tax	(81.65)	-	-
Reserves and Surplus	-	-	-
Earnings per share (Rs)	1,632.92	-	-
Book Value per share (Rs)	10.00	-	-

Other Group Entities

All Square Realtors India Private Limited

All Square Realtors India Private Limited, a company incorporated on February 16, 2006 under the laws of India, is engaged in the business of developing franchisees in real estate broking and as commission agents, property valuers, managers, advisors and other business relating to building management and maintenance services and to franchise the said business to third parties etc.

The authorised share capital of All Square Realtors India Private Limited is Rs. 5,000,000 divided into 50,000 equity shares of Rs. 100 each and the paid-up capital of All Square Realtors India Private Limited is Rs. 5,000,000 divided into 50,000 equity shares of Rs. 100 each. Our individual Promoter holds 8% of the issued and paid up capital of All Square Realtors India Private Limited. The remaining equity shares of All Square Realtors India Private Limited are held by three individuals and GE Realty Developers Private Limited.

Anko Construction Private Limited

Anko Construction Private Limited, a company incorporated on July 6, 1971, under the laws of India, is engaged in the business of construction, management, development of buildings work, including building contracts for railways, tramways, docks, harbours, canals, wharves, reservoirs, reclamation, drainage sanitary, power supply works, warehouses etc.

The authorised share capital of Anko Construction Private Limited is Rs. 1,500,000 divided into 150,000 equity shares of Rs. 10 each and the paid-up capital of Anko Construction Private Limited is Rs. 1,313,760 divided into 131,376 equity shares of Rs. 10 each. Our individual Promoter holds 14.98% of the issued and paid up capital of Anko Construction Private Limited. The remaining equity shares of Anko Construction Private Limited are held by four individuals and BangGreen Holdings Private Limited.

Babbler Marketing Private Limited

Babbler Marketing Private Limited, a company incorporated on April 17, 2006, under the laws of India, is engaged in the business of designing, developing, using, making, marketing, wholesaling, promoting, producing, purchasing, selling, processing, maintaining, or otherwise dealing with all home entertainment systems and engaged in the business as suppliers, distributers, converters, carriers, stores, processors and importers and exporters of any raw materials or products and as advisors, consultants on all matters and problems relating to the administration, organisation, financial management, personnel, commencement or expansion of industry and business including plant and machinery etc.

The authorised share capital of Babbler Marketing Private Limited is Rs. 46,000,000 divided into 4,600,000 equity shares of Rs. 10 each and the paid-up capital of Babbler Marketing Private Limited is Rs. 16,000,000 divided into 1,600,000 equity shares of Rs. 10 each. Our individual Promoter holds 40% of the issued and paid up capital of Babbler Marketing Private Limited. The remaining equity shares of Babbler Marketing Private Limited are held by Jacana Limited and two other individuals.

Book & Marks Hospitality Private Limited

Book & Marks Hospitality Private Limited, a company originally incorporated as Topaz Realtors Private Limited on May 14, 2002, under the laws of India, is engaged in the business of acquiring land, building and other immovable properties by purchase, lease or otherwise, and to construct residential apartments, commercial buildings, shops, offices etc. and works of common utility for sale and/ or for allocation and allotment and/ or generally to grant right of use, exploitation and enjoyment of such structures and/or the structures therefrom to members of the company or to any other person or body corporate.

The authorised share capital of Book & Marks Hospitality Private Limited is Rs. 500,000 divided into 50,000 equity shares of Rs. 10 each and the paid-up capital of Book & Marks Hospitality Private Limited is Rs. 500,000 divided into 50,000 equity shares of Rs. 10 each. Our individual Promoter holds 25% of the issued and paid up capital of Book & Marks Hospitality Private Limited. The remaining equity shares of Book & Marks Hospitality Private Limited are held by three other individuals.

Cosmos Construction Consultants Private Limited

Cosmos Construction Consultants Private Limited, a company originally incorporated as Embassy Interiors Private Limited on June 9, 1997, under the laws of India, is engaged in the business of designing, planning, managing, developing, leasing and/or construction of apartments, houses, hotels, farm houses, health clubs, holiday resorts etc. and to carry on business as civil, mechanical, electrical, water supply and sanitary contractors, builders, property managers, interior designers for residential, commercial and other units etc. and to carry on all or any of the business as owners of land, residential sites, industrial sites, commercial sites, commercial complexes, hotels, guest houses, cottages, villas, apartments, shopping centres, cinema theatres etc. and to manage, maintain, run or deal in all or any of the foregoing.

The authorised share capital of Cosmos Construction Consultants Private Limited is Rs. 500,000 divided into 50,000 equity shares of Rs. 10 each and the paid-up capital of Cosmos Construction Consultants Private Limited is Rs. 100,000 divided into 10,000 equity shares of Rs. 10 each. Our Promoters collectively hold 100% of the issued and paid up capital of Cosmos Construction Consultants Private Limited.

Ditrita Developers Private Limited

Ditrita Developers Private Limited, a company incorporated on August 2, 1994, under the laws of India, is engaged in the business of acquiring land, building and other immovable properties by purchase, lease or otherwise and to construct residential apartments, commercial buildings, shops, offices, godown, industrial sheds and other allied structures, buildings and works of common utility for sale and/or for allocation or allotment or generally to grant right of use, exploitation and enjoyment of such structures or the usufruct therefrom to members of the company or to any other person or body corporate.

The authorised share capital of Ditrita Developers Private Limited is Rs. 2,500,000 divided into 250,000 equity shares of Rs. 10 each and the paid-up capital of Ditrita Developers Private Limited is Rs. 1,200,000 divided into 120,000 equity shares of Rs. 10 each. Our corporate Promoter holds 50% of the issued and paid-up capital of Ditrita Developers Private Limited. The remaining equity shares of Ditrita Developers Private Limited are held by Brindavan Beverages Private Limited.

DSRK Holdings (Chennai) Private Limited

DSRK Holdings (Chennai) Private Limited, a company incorporated on May 29, 2006, under the laws of India, is engaged in the business of acquiring land, building, and other immovable properties or any interest therein by purchase or otherwise and to carry on all or any other business of designing, planning, managing, developing and/or construction of apartments, houses, factory buildings, godowns, warehouses, hotels, farm houses, health clubs, holiday resorts, club house, industrial sheds, housing colonies, public buildings, multi storeyed buildings, schools, colleges, community halls, shopping complex, dams, bridges, canals, power projects, and playgrounds, tennis court, and/or to carry on business as civil, mechanical, electrical, water supply, and sanitary contractors, builders, real estate agents, real estate developers,

suppliers of various services required for residential, commercial, industrial and other units.

The authorised share capital of DSRK Holdings (Chennai) Private Limited is Rs. 10,000,000 divided into 1,000,000 equity shares of Rs. 10 each and the paid up capital of DSRK Holdings (Chennai) Private Limited is Rs. 10,000,000 divided into 1,000,000 equity shares of Rs. 10 each. Our Promoters collectively hold 29.5% of the issued and paid up capital of DSRK Holdings (Chennai) Private Limited. The remaining equity shares of DSRK Holdings (Chennai) Private Limited are held by two other entities.

Dynasty Holdings Private Limited

Dynasty Holdings Private Limited, a company incorporated on August 2, 1994, under the laws of India, is engaged in the business of acquiring land, building and other immovable properties by purchase, lease or otherwise and to construct residential apartments, commercial buildings, shops, offices, godowns, industrial sheds and other allied structures, buildings and works of common utility for sale and/or for allocation or allotment or generally to grant right of use, exploitation and enjoyment of such structures or the usufruct therefrom to members of the company or to any other person or body corporate.

The authorised share capital of Dynasty Holdings Private Limited is Rs. 2,500,000 divided into 250,000 equity shares of Rs. 10 each and the paid-up capital of Dynasty Holdings Private Limited is Rs. 1,500,000 divided into 150,000 equity shares of Rs. 10 each. Our Promoters collectively hold 100% of the issued and paid-up capital of Dynasty Holdings Private Limited.

Dynasty Properties Private Limited

Dynasty Properties Private Limited, a company incorporated on December 3, 2001, under the laws of India, is engaged in the business of acquiring land, building and other immovable properties or any interest therein by purchase or otherwise and to sell, lease, gift, license any land, building, immovable property or any interest thereon and/ or to carry on any other business of designing, planning, managing, developing on joint development basis and/or construction of apartments, houses, factory buildings, hotels, farm houses, health clubs, holiday resorts, club houses etc. and to carry on business as civil, mechanical, electrical, water supply and sanitary contractors, builders, real estate agents and developers and suppliers of various services required for residential, commercial and other units etc.

The authorised share capital of Dynasty Properties Private Limited is Rs. 2,500,000 divided into 250,000 equity shares of Rs. 10 each and the paid-up capital of Dynasty Properties Private Limited is Rs. 1,000,000 divided into 100,000 equity shares of Rs. 10 each. Our Promoters collectively hold 100% of the issued and paid-up capital of Dynasty Properties Private Limited.

Embassy Constructions and Developments Private Limited

Embassy Constructions and Developments Private Limited, a company incorporated on July 30, 1996, under the laws of India, is engaged in the business of acquiring land, building and other immovable properties or any interest therein by purchase or otherwise and to sell, lease, gift, license any land, building, immovable property or any interest thereon and/ or to carry on any other business of designing, planning, managing, developing on joint development basis and/or construction of apartments, houses, factory buildings, hotels, farm houses, health clubs, holiday resorts, club houses etc. and to carry on business as civil, mechanical, electrical, water supply and sanitary contractors, builders, real estate agents and developers and suppliers of various services required for residential, commercial and other units etc.

The authorised share capital of Embassy Constructions and Developments Private Limited is Rs. 30,000,000 divided into 3,000,000 equity shares of Rs. 10 each and the paid-up capital of Embassy Constructions and Developments Private Limited is Rs. 24,610,000 divided into 2,461,000equity shares of Rs. 10 each. Our Promoters collectively hold 100% of the issued and paid up capital of Embassy Constructions and Developments Private Limited.

Embassy Housing Finance and Developments Private Limited

Embassy Housing Finance and Developments Private Limited, a company incorporated on January 10, 1995, under the laws of India, is engaged in the business of designing, planning, managing, developing or construction of apartments, houses, factories, godowns, warehouses, hotels, farm houses, health clubs, holiday resorts, roads, highways, bridges, canals etc and to carry on business of financiers, money lenders, financial consultants or advisors, investors or dealers in shares and other securities, movable or immovable properties etc.

The authorised share capital of Embassy Housing Finance and Developments Private Limited is Rs. 10,000,000 divided into 1,000,000 equity shares of Rs. 10 each and the paid-up capital of Embassy Housing Finance and Developments Private Limited is Rs. 100,000 divided into 10,000 equity shares of Rs. 10 each. Our Promoters collectively hold 100% of the issued and paid-up capital of Embassy Housing Finance and Developments Private Limited.

Embassy Knowledge Infrastructure Projects Private Limited

Embassy Knowledge Infrastructure Projects Private Limited, a company incorporated on April 16, 2007, under the laws of India, is engaged in the business of providing infrastructure, including buildings, know-how and support services for education, training and knowledge support services of all kind and description to any person or institution on its own or through joint ventures and to promote educational institutions, schools, colleges, training centres without any limitation to any functional field or area of education and to promote general education, advanced education in the field of engineering, medical, management and research of all kinds and description and all type of research and electronic governance.

The authorised share capital of Embassy Knowledge Infrastructure Projects Private Limited is Rs. 1,300,000 divided into 130,000 equity shares of Rs. 10 each and the paid-up capital of Embassy Knowledge Infrastructure Projects Private Limited is Rs. 1,000,000 divided into 100,000 equity shares of Rs. 10 each. Our individual Promoter holds 89.90% of the issued and paid up capital of Embassy Knowledge Infrastructure Projects Private Limited. The remaining equity shares of Embassy Knowledge Infrastructure Projects Private Limited are held by Brindavan Beverages Private Limited and an individual.

Embassy Shelters Private Limited

Embassy Shelters Private Limited, a company incorporated on April 19, 1995, under the laws of India, is engaged in the business of acquiring land, building and other immovable properties by purchase, lease or otherwise and to construct residential apartments, commercial buildings, shops, offices, godowns, industrial sheds and other allied structures, buildings and works of common utility for sale and/or for allocation or allotment or generally to grant right of use, exploitation and enjoyment of such structures or the usufruct therefrom to members of the company or to any other person or body corporate.

The authorised share capital of Embassy Shelters Private Limited is Rs. 1,000,000 divided into 100,000 equity shares of Rs. 10 each and the paid-up capital of Embassy Shelters Private Limited is Rs. 100,000 divided into 10,000 equity shares of Rs. 10 each. Our Promoters collectively hold 100% of the issued and paid-up capital of Embassy Shelters Private Limited.

Facade and Glazing Technologies Private Limited

Facade and Glazing Technologies Private Limited, a company incorporated on May 26, 2005, under the laws of India, is engaged in the business as manufacturers, contractors, subcontractors and purchase, sale, import, design or otherwise, deal in, facading, glazing, facade technology, glazing technology, facade material, glazing material, equipment glazed tiles, stone, ceramic etc and carry on business as consultants, contractors, sub-contractors, engineers, architects etc.

The authorised share capital of Facade and Glazing Technologies Private Limited is Rs. 10,000,000 divided into 1,000,000 equity shares of Rs. 10 each and the paid-up capital of Facade and Glazing Technologies

Private Limited is Rs. 2,500,000 divided into 250,000 equity shares of Rs. 10 each. Our corporate Promoter holds 24% of the issued and paid-up capital of Facade and Glazing Technologies Private Limited. The remaining equity shares of Facade and Glazing Technologies Private Limited are held by Umiya Holdings Private Limited and two other individuals.

Infantry Holdings Private Limited

Infantry Holdings Private Limited, a company incorporated on August 25, 1995, under the laws of India, is engaged in the business of acquiring land, building and other immovable properties by purchase, lease or otherwise and to construct residential apartments, commercial buildings, shops, offices, godowns, industrial sheds and other allied structures, buildings and works of common utility for sale and/or for allocation or allotment or generally to grant right of use, exploitation and enjoyment of such structures or the usufruct therefrom to members of the company or to any other person or body corporate.

The authorised share capital of Infantry Holdings Private Limited is Rs. 30,000,000 divided into 2,400,000 equity shares of Rs. 10 each and 600,000 preference shares of Rs. 10 each and the paid-up capital of Infantry Holdings Private Limited is Rs. 28,670,660 divided into 2,300,300 equity shares of Rs. 10 each and 566,766 preference shares of Rs. 10 each. Our corporate Promoter holds 98.25% of the issued and paid-up capital of Infantry Holdings Private Limited. The remaining equity shares of Infantry Holdings Private Limited are held by an individual.

JEM Cements Private Limited

JEM Cements Private Limited, a company incorporated on September 22, 2009, under the laws of India, is engaged in the business as manufacturers, dealers in and sellers of cement, clinker, lime, plasters, whiting, clay, granule sand, coke, fuel, artificial stone, all kinds of building materials and products or things which may be manufactured out of or with cement etc.

The authorised share capital of JEM Cements Private Limited is Rs. 500,000 divided into 50,000 equity shares of Rs. 10 each and the paid-up capital of JEM Cements Private Limited is Rs. 100,000 divided into 10,000 equity shares of Rs. 10 each. Our individual Promoter holds 99% of the issued and paid-up capital of JEM Cements Private Limited. The remaining equity shares of JEM Cements Private Limited are held by an individual.

LJ-Victoria Properties Private Limited

LJ-Victoria Properties Private Limited, a company incorporated on September 12, 2008, under the laws of India, is engaged in the business of leasing of retail property on leasehold land situated at Victoria Embassy No. 47/48 Bangalore Central Mall, Residency Road, Richmond Town, Bangalore and providing all related support and ancillary services in relation to such properties, including all assets, rights, properties, licences, approvals, permissions. Pursuant to the approval of a composite scheme of amalgamation by the High Court of Karnataka through an order dated January 25, 2010, LJ-Victoria Properties Private Limited has been de-merged from our Company, with effect from April 1, 2009.

The authorised share capital of LJ-Victoria Properties Private Limited is Rs. 700,000 divided into 70,000 equity shares of Rs. 10 each and the paid-up capital of LJ-Victoria Properties Private Limited is Rs. 611,800 divided into 61,180 equity shares of Rs. 10 each. Our Promoters collectively hold 98.36% of the issued and paid up capital of LJ-Victoria Properties Private Limited. The remaining equity shares of LJ-Victoria Properties Private Limited are held by an individual.

M.D. Realtors Private Limited

M.D. Realtors Private Limited, a company incorporated on April 6, 1995, under the laws of India, is engaged in the business of acquiring land, building and other immovable properties by purchase, lease or otherwise and to construct residential apartments, commercial buildings, shops, offices, godowns, industrial sheds and other allied structures, buildings and works of common utility for sale and/or for allocation or

allotment or generally to grant right of use, exploitation and enjoyment of such structures or the usufruct therefrom to members of the company or to any other person or body corporate.

The authorised share capital of M.D. Realtors Private Limited is Rs. 2,000,000 divided into 200,000 equity shares of Rs. 10 each and the paid-up capital of M.D. Realtors Private Limited is Rs. 1,201,000 divided into 120,100 equity shares of Rs. 10 each. Our corporate Promoter holds 47.92% of the issued and paid-up capital of M.D. Realtors Private Limited. The remaining equity shares of M.D. Realtors Private Limited are held by Indu Projects & Developers Private Limited and two other individuals.

Manyata Builders Private Limited

Manyata Builders Private Limited, a company incorporated on September 29, 2008, under the laws of India, is engaged in the business as developers of land, builders, contractors, engineers, constructors of buildings, villas, row houses, apartments, business parks, townships, business centers etc and to sell, lease, exchange or otherwise deal in land and buildings for development, investment or for resale of lands, buildings, structures and to deal in freehold and leasehold land etc.

The authorised share capital of Manyata Builders Private Limited is Rs. 500,000 divided into 50,000 equity shares of Rs. 10 each and the paid-up capital of Manyata Builders Private Limited is Rs. 300,000 divided into 30,000 equity shares of Rs. 10 each. Our individual Promoter holds 33.33% of the issued and paid-up capital of Manyata Builders Private Limited. The remaining equity shares of Manyata Builders Private Limited are held by two individuals.

Manyata Projects Private Limited

Manyata Projects Private Limited, a company originally incorporated as Manyata Developers Bangalore Private Limited on February 28, 2007, under the laws of India, is engaged in the business of acquiring, promoting, developing land and building thereon flats, houses, shops, office space etc, and to hold, occupy, mortgage, sell or otherwise deal in real estate of all kinds, including, townships, markets, cinemas, multiplexes, shopping malls, business parks, industrial parks, software technology parks etc.

The authorised share capital of Manyata Projects Private Limited is Rs. 10,000,000 divided into 1,000,000 equity shares of Rs. 10 each and the paid-up capital of Manyata Projects Private Limited is Rs. 100,000 divided into 10,000 equity shares of Rs. 10 each. Our individual Promoter holds 50% of the issued and paid-up capital of Manyata Projects Private Limited. The remaining equity shares of Manyata Projects Private Limited are held by an individual.

Manyata Residential Promoters Private Limited

Manyata Residential Promoters Private Limited, a company incorporated on February 28, 2007, under the laws of India, is engaged in the business of builders, constructors, contractors, promoters, developers, builders of residential layouts, houses, farm houses, villas, residential apartments etc and to acquire, promote, develop, improve land and to erect and build thereon flats, houses, shops, office space and other buildings and to hold, occupy, sell or otherwise deal with the same.

The authorised share capital of Manyata Residential Promoters Private Limited is Rs. 80,000,000 divided into 8,000,000 equity shares of Rs. 10 each and the paid-up capital of Manyata Residential Promoters Private Limited is Rs. 100,000 divided into 10,000 equity shares of Rs. 10 each. Our individual Promoter holds 50% of the issued and paid-up capital of Manyata Residential Promoters Private Limited. The remaining equity shares of Manyata Residential Promoters Private Limited are held by an individual.

More-Finanshare Investments Private Limited

More-Finanshare Investments Private Limited, a company incorporated on May 15, 1995, under the laws of India, is engaged in the business of an investment company and particularly to invest in, acquire, hold, sell,

underwrite and otherwise deal in shares, stocks, debenture stocks, bonds and securities of any kind issued by any company or body corporate or other persons.

The authorised share capital of More-Finanshare Investments Private Limited is Rs. 2,000,000 divided into 200,000 equity shares of Rs. 10 each and the paid-up capital of More-Finanshare Investments Private Limited is Rs. 2,000,000 divided into 200,000 equity shares of Rs. 10 each. Our Promoters collectively hold 75% of the issued and paid up capital of More-Finanshare Investments Private Limited. The remaining equity shares of More-Finanshare Investments Private Limited are held by Maoj Investments Private Limited.

Nam Investments Private Limited

Nam Investments Private Limited, a company incorporated on October 11, 1994, under the laws of India, is engaged in the business of an investment company and particularly to invest in, acquire, hold, sell, underwrite and otherwise deal in shares, stocks, debenture stocks, bonds and securities of any kind issued by any company or body corporate or other persons etc and to advance, deposit or lend money, securities etc to any company, body corporate, firm, individual or association with or without securities and to aid financially in buying, selling, dealing in, letting on hire purchase household articles, office furniture, motor vehicles, agricultural, mining and construction equipments, machineries etc.

The authorised share capital of Nam Investments Private Limited is Rs. 10,000,000 divided into 1,000,000 equity shares of Rs. 10 each and the paid-up capital of Nam Investments Private Limited is Rs. 1,000,000 divided into 100,000 equity shares of Rs. 10 each. Our Promoters collectively hold 60% of the issued and paid-up capital of Nam Investments Private Limited. The remaining equity shares of Nam Investments Private Limited are held by Sahaj Builders Private Limited.

Oakwood Developers Private Limited

Oakwood Developers Private Limited, a company incorporated on August 2, 1994, under the laws of India, is engaged in the business of acquiring land, building and other immovable properties by purchase, lease or otherwise and to construct residential apartments, commercial buildings, shops, offices, godowns, industrial sheds and other allied structures, buildings and works of common utility for sale and/or for allocation or allotment or generally to grant right of use, exploitation and enjoyment of such structures or the usufruct therefrom to members of the company or to any other person or body corporate.

The authorised share capital of Oakwood Developers Private Limited is Rs. 2,500,000 divided into 250,000 equity shares of Rs. 10 each and the paid-up capital of Oakwood Developers Private Limited is Rs. 2,000,000 divided into 200,000 equity shares of Rs. 10 each. Our Promoters collectively hold 100% of the issued and paid-up capital of Oakwood Developers Private Limited.

Oasis Home Holdings Private Limited

Oasis Home Holdings Private Limited, a company incorporated on August 16, 1994, under the laws of India, is engaged in the business of acquiring land, building and other immovable properties or any interest therein by purchase, lease or otherwise, and to construct residential apartments, commercial buildings, shops, offices, godowns, industrial sheds and other allied structures, buildings and works of common utility for sale and/or for allocation or allotment or generally to grant right of use, exploitation and enjoyment of such structures or the usufruct therefrom to members of the company or to any other person or body corporate.

The authorised share capital of Oasis Home Holdings Private Limited is Rs. 2,500,000 divided into 250,000 equity shares of Rs. 10 each and the paid-up capital of Oasis Home Holdings Private Limited is Rs. 1,200,000 divided into 120,000 equity shares of Rs. 10 each. Our Promoters collectively hold 100% of the issued and paid-up capital of Oasis Home Holdings Private Limited.

Pet Properties and Constructions Private Limited

Pet Properties and Constructions Private Limited, a company incorporated on March 20, 1995, under the laws of India, is engaged in the business as promoters, dealers, owners, investors, agents, developers, brokers of real estate, land, buildings and estates and construction of residential and commercial buildings of all types.

The authorised share capital of Pet Properties and Constructions Private Limited is Rs. 500,000 divided into 5,000 equity shares of Rs. 100 each and the paid-up capital of Pet Properties and Constructions Private Limited is Rs. 100,000 divided into 1,000 equity shares of Rs. 100 each. Our Promoters collectively hold 100% of the issued and paid up capital of Pet Properties and Constructions Private Limited.

PolyWood Properties Private Limited

PolyWood Properties Private Limited, a company incorporated on September 29, 2008, under the laws of India, is engaged in the business of leasing of currently non-leased commercial office of Star Annex situated at Embassy Star No. 8 Palace Road, Vasanth Nagar, Bangalore, and providing all related support and ancillary services in relation to such property, including all assets, rights, properties, licences, approvals, permissions. Pursuant to the approval of a composite scheme of amalgamation by the High Court of Karnataka through an order dated January 25, 2010, PolyWood Properties Private Limited has been de-merged from our Company, with effect from April 1, 2009.

The authorised share capital of PolyWood Properties Private Limited is Rs. 500,000 divided into 50,000 equity shares of Rs. 10 each and the paid-up capital of PolyWood Properties Private Limited is Rs. 131,990 divided into 13,199 equity shares of Rs. 10 each. Our Promoters collectively hold 99.99% of the issued and paid up capital of PolyWood Properties Private Limited. The remaining equity shares of PolyWood Properties Private Limited are held by an individual.

Raffles Square Development Corporation Private Limited

Raffles Square Development Corporation Private Limited, a company originally incorporated as Raffles City Development Corporation Private Limited on June 19, 1995, under the laws of India, is engaged in the business of acquiring land, building and other immovable properties by purchase, lease or otherwise and to construct residential apartments, commercial buildings, shops, offices, godowns, industrial sheds and other allied structures, buildings and works of common utility for sale and/or for allocation or allotment or generally to grant right of use, exploitation and enjoyment of such structures or the usufruct therefrom to members of the company or to any other person or body corporate.

The authorised share capital of Raffles Square Development Corporation Private Limited is Rs. 50,000,000 divided into 5,000,000 equity shares of Rs. 10 each and the paid-up capital of Raffles Square Development Corporation Private Limited is Rs. 100,000 divided into 10,000 equity shares of Rs. 10 each. Our Promoters collectively hold 100% of the issued and paid-up capital of Raffles Square Development Corporation Private Limited.

RG-Lakeside Properties Private Limited

RG-Lakeside Properties Private Limited, a company incorporated on April 2, 2007, under the laws of India, is engaged in the business of acquiring land, building and other immovable properties or any interest therein by purchase or otherwise and any other business of designing, planning, managing, developing and/or construction of apartments, houses, factory buildings, hotels, farm houses, health clubs, holiday resorts, club houses etc. and to carry on business as civil, mechanical, electrical, water supply and sanitary contractors, builders, real estate agents and developers and suppliers of various services required for residential, commercial and other units etc.

The authorised share capital of RG-Lakeside Properties Private Limited is Rs. 500,000 divided into 50,000 equity shares of Rs. 10 each and the paid-up capital of RG-Lakeside Properties Private Limited is Rs.

100,000 divided into 10,000 equity shares of Rs. 10 each. Our Promoters collectively hold 100% of the issued and paid-up capital of RG-Lakeside Properties Private Limited.

Solomon David Holdings Private Limited

Solomon David Holdings Private Limited, a company incorporated on August 11, 1995, under the laws of India, is engaged in the business of acquiring land, building and other immovable properties by purchase, lease or otherwise and to construct residential apartments, commercial buildings, shops, offices, godowns, industrial sheds and other allied structures, buildings and works of common utility for sale and/or for allocation or allotment or generally to grant right of use, exploitation and enjoyment of such structures or the usufruct therefrom to members of the company or to any other person or body corporate.

The authorised share capital of Solomon David Holdings Private Limited is Rs. 5,000,000 divided into 500,000 equity shares of Rs. 10 each and the paid-up capital of Solomon David Holdings Private Limited is Rs. 500,000 divided into 50,000 equity shares of Rs. 10 each. Our corporate Promoter holds 25% of the issued and paid-up capital of Solomon David Holdings Private Limited. The remaining equity shares of Solomon David Holdings Private Limited are held by certain individuals.

StarWood Properties Private Limited

StarWood Properties Private Limited, a company incorporated on September 10, 2008, under the laws of India, is engaged in the business of leasing of 3rd floor of Embassy Icon Annex No. 2, Infantry Road, Bangalore, 1st and 7th floors of Embassy Icon No. 3, Infantry Road, Bangalore and Ground and Mezzanine floors situated at Embassy Star No. 8 Palace Road, Vasant Nagar, Bangalore, and providing all related support and ancillary services in relation to such properties, including all assets, rights, properties, licences, approvals, permissions. Pursuant to the approval of a composite scheme of amalgamation by the High Court of Karnataka through an order dated January 25, 2010, StarWood Properties Private Limited has been de-merged from our Company, with effect from April 1, 2009.

The authorised share capital of StarWood Properties Private Limited is Rs. 500,000 divided into 50,000 equity shares of Rs. 10 each and the paid-up capital of StarWood Properties Private Limited is Rs. 250,520 divided into 25,052 equity shares of Rs. 10 each. Our Promoters collectively hold 99.99% of the issued and paid up capital of StarWood Properties Private Limited. The remaining equity shares of StarWood Properties Private Limited are held by an individual.

Swire Holdings Private Limited

Swire Holdings Private Limited, a company incorporated on July 26, 1994, under the laws of India, is engaged in the business of acquiring land, building and other immovable properties by purchase, lease or otherwise and construction of residential apartments, commercial buildings, shops, offices, godowns and other allied structures etc. and allotment or allocation of the right to use, exploitation and enjoyment or usufruct therefrom to members of the company or to other persons or body corporate.

The authorised share capital of Swire Holdings Private Limited is Rs. 15,000,000 divided into 1,500,000 equity shares of Rs. 10 each and the paid-up capital of Swire Holdings Private Limited is Rs. 5,701,000 divided into 570,100 equity shares of Rs. 10 each. Our individual Promoter holds 50.01% of the issued and paid up capital of Swire Holdings Private Limited. The remaining equity shares of Swire Holdings Private Limited are held by Udhyaman Investments Private Limited.

Swire Properties Private Limited

Swire Properties Private Limited, a company incorporated on May 11, 2007, under the laws of India, is engaged in the business of acquiring land, building and other immovable properties or any interest therein by purchase or otherwise and to carry on all or any other business of designing, planning, managing, developing and/or construction of apartments, houses, factory buildings, godowns, warehouses, hotels, farm houses, health clubs, holiday resorts, club houses, schools, colleges, community halls etc. and to carry

on business as civil, mechanical, electrical, water supply and sanitary contractors, builders, real estate agents, real estate developers and suppliers of various services required for residential, commercial, industrial and other units.

The authorised share capital of Swire Properties Private Limited is Rs. 500,000 divided into 50,000 equity shares of Rs. 10 each and the paid-up capital of Swire Properties Private Limited is Rs. 100,000 divided into 10,000 equity shares of Rs. 10 each. Our Promoters collectively hold 100% of the issued and paid-up capital of Swire Properties Private Limited.

Swire Tech-Park Projects Private Limited

Swire Tech-Park Projects Private Limited, a company incorporated on January 31, 2008, under the laws of India, is engaged in the business of acquiring land, building and other immovable properties or any interest therein by purchase or otherwise and any other business of designing, planning, managing, developing, leasing and/or construction of apartments, houses, factory buildings, hotels, farm houses, health clubs, holiday resorts, club houses etc. and to carry on business as civil, mechanical, electrical, water supply and sanitary contractors, builders, real estate agents and developers and suppliers of various services required for residential, commercial and other units etc. and to carry on the business of providing architectural, planning, designing, drawing, engineering, structural, interior, consultancy, project management and allied services in the field of property development, civil engineering and construction and to execute contracts of all kinds of infrastructure projects such as power, communication, roads, bridges etc.

The authorised share capital of Swire Tech-Park Projects Private Limited is Rs. 100,000,000 divided into 4,000,000 equity shares of Rs. 10 each and 6,000,000 Class A optionally convertible preference shares of Rs. 10 each and the paid-up capital of Swire Tech-Park Projects Private Limited is Rs. 100,000 divided into 10,000 equity shares of Rs. 10 each. Our individual Promoter holds 50% of the issued and paid up capital of Swire Tech-Park Projects Private Limited. The remaining equity shares of Swire Tech-Park Projects Private Limited are held by an individual.

Udhyaman Investments Private Limited

Udhyaman Investments Private Limited, a company incorporated on June 2, 1995, under the laws of India, is engaged in the business of designing, planning, managing, developing and/or construction of apartments, houses, factory buildings, hotels, farm houses, health clubs, holiday resorts, club houses, community halls, shopping complexes etc. and to carry on business as civil, mechanical, electrical, water supply and sanitary contractors, builders, real estate agents and developers and suppliers of various services required for residential, commercial and other units etc.

The authorised share capital of Udhyaman Investments Private Limited is Rs. 5,000,000 divided into 500,000 equity shares of Rs. 10 each and the paid-up capital of Udhyaman Investments Private Limited is Rs. 5,000,000 divided into 500,000 equity shares of Rs. 10 each. Our Promoters collectively hold 100% of the issued and paid-up capital of Udhyaman Investments Private Limited.

VIC Steels Private Limited

VIC Steels Private Limited, a company incorporated on September 23, 2009, under the laws of India, is engaged in the business of manufacturing, processing, selling, importing, exporting and dealing in iron and steel, ferro alloys, special steels, aluminum, copper, lead, zinc and other metals in India and other parts of the world.

The authorised share capital of VIC Steels Private Limited is Rs. 500,000 divided into 50,000 equity shares of Rs. 10 each and the paid-up capital of VIC Steels Private Limited is Rs. 100,000 divided into 10,000 equity shares of Rs. 10 each. Our individual Promoter holds 99% of the issued and paid-up capital of VIC Steels Private Limited. The remaining equity shares of VIC Steels Private Limited are held by another individual.

Vijaygi Investments Private Limited

Vijaygi Investments Private Limited, a company incorporated on January 3, 2007, under the laws of India, is engaged in the business of acquiring land, building and other immovable properties or any interest therein by purchase or otherwise and to carry on all or any other business of designing, planning, managing, developing and/or construction of apartments, houses, factory buildings, hotels, farm houses, health clubs, holiday resorts, club houses, community halls, shopping complexes etc. and to carry on business as civil, mechanical, electrical, water supply and sanitary contractors, builders, real estate agents and developers and suppliers of various services required for residential, commercial and other units etc.

The authorised share capital of Vijaygi Investments Private Limited is Rs. 500,000 divided into 50,000 equity shares of Rs. 10 each and the paid-up capital of Vijaygi Investments Private Limited is Rs. 100,000 divided into 10,000 equity shares of Rs. 10 each. Our Promoters collectively hold 100% of the issued and paid-up capital of Vijaygi Investments Private Limited.

Wildflower Estate & Resorts Private Limited

Wildflower Estate & Resorts Private Limited, a company incorporated on July 8, 2004, under the laws of India, is engaged in the business of producing, growing, cultivating, developing, processing, manufacturing, selling, buying, supplying, distributing, importing, exporting etc. of products of the soil including trees, shrubs, sprouts, vines, herbs, spices and products such as grains, cereals, pulses etc. and other agricultural, plantation and garden products and all related activities and operations or otherwise and to buy, sell, rear or otherwise deal in animals and birds and other dairy and poultry products, farming, poultry, processing of food and dairy products, acquiring land, building and other immovable properties to carry on all or any of the business of owners, lessors, lessees, licensors, licensees, developers, builders, managers of agricultural lands, plantations, farm houses, residential sites, industrial sites, commercial sites etc and places of all kinds and description for amusement, recreation sports and entertainment.

The authorised share capital of Wildflower Estate & Resorts Private Limited is Rs. 1,000,000 divided into 100,000 equity shares of Rs. 10 each and the paid-up capital of Wildflower Estate & Resorts Private Limited is Rs. 100,000 divided into 10,000 equity shares of Rs. 10 each. Our individual Promoter holds 37.50% of the issued and paid-up capital of Wildflower Estate & Resorts Private Limited. The remaining equity shares of Wildflower Estate & Resorts Private Limited are held by three other individuals.

Zeus Commodities Private Limited

Zeus Commodities Private Limited, a company incorporated on September 14, 2007, under the laws of India, is engaged in the business of establishing, owning, operating, acquiring and managing to carry on business as producers, importers, exporters, buyers, sellers, manufacturers, stockists, agents and brokers of all types of coke, charcoal, petroleum coke, coal, coal tar copper, coke dust, coke sludge, ferro alloys, other chemicals, minerals and their products, wastes and derivates etc. and business of designing, developing, building and operating, maintaining of power plants, power generation by conventional or non conventional methods and distribution or supply thereof.

The authorised share capital of Zeus Commodities Private Limited is Rs. 1,000,000 divided into 100,000 equity shares of Rs. 10 each and the paid-up capital of Zeus Commodities Private Limited is Rs. 150,000 divided into 15,000 equity shares of Rs. 10 each. Our individual Promoter holds 33.33% of the issued and paid-up capital of Zeus Commodities Private Limited. The remaining equity shares of Zeus Commodities Private Limited are held by two other individuals.

Partnerships

Embassy Brindavan Developers

Embassy Brindavan Developers was formed pursuant to a partnership deed dated March 25, 2004 between our Company, Brindavan Beverages Private Limited, P. Kishinchand (HUF) and Manoharlal J. Wadhwa

(HUF), under the laws of India. It was later reconstituted pursuant to a deed of reconstitution of partnership dated February 19, 2010 with Brindavan Beverages Private Limited, P. Kishinchand (HUF), Manoharlal J. Wadhwa (HUF) and J.V. Holding Private Limited as partners. It is engaged in the business of real estate development.

Profit and Loss Sharing Ratio

The profit and loss sharing ratio of the partners in the firm is as follows:

Name of Partners	Profit & Loss Sharing Ratio (%)
JV Holding Private Limited	40.00%
Brindavan Beverages Private Limited	10.00%
P. Kishinchand (HUF)	10.00%
Manoharlal J. Wadhwa (HUF)	40.00%

Embassy Development Corporation

Embassy Development Corporation was formed pursuant to a partnership deed dated December 15, 2005 between our Company, Jitendra Virwani, JV Holding Private Limited and Dynasty Stock Holdings Private Limited, under the laws of India. It was later reconstituted pursuant to a deed of reconstitution of partnership dated February 19, 2010 with Jitendra Virwani and JV Holding Private Limited as partners. It is engaged in the business of real estate development.

Profit and Loss Sharing Ratio

The profit and loss sharing ratio of the partners in the firm is as follows:

Name of Partners	Profit & Loss Sharing Ratio (%)
JV Holding Private Limited	50.00%
Jitendra Virwani	50.00%

Havelock Development Corporation

Havelock Development Corporation was formed pursuant to a partnership deed dated October 9, 2006 between M. N. Chittiappa, K.J. George, K.J. Kuruvilla, Jitendra Virwani, K.V. Prasad and N. Ramesh, under the laws of India. It is engaged in the business of acquisition, development, construction and sale of land, buildings and other immovable properties.

Profit and Loss Sharing Ratio

The profit and loss sharing ratio of the partners in the firm is as follows:

Name of Partners	Profit & Loss Sharing Ratio (%)
M. N. Chittiappa	12.50%
K.J. George	12.50%
K.J.Kuruvilla	6.25%
Jitendra Virwani	18.75%
K.V. Prasad	35.00%
N. Ramesh	15.00%

Mall Ventures

Mall Ventures was formed pursuant to a partnership deed dated February 15, 2008 between our Company, Brindavan Beverages Private Limited, P. Kishinchand and Manoharlal J. Wadhwa, under the laws of India. It was later reconstituted pursuant to a deed of reconstitution of partnership dated February 19, 2010 with Brindavan Beverages Private Limited, P. Kishinchand, Manoharlal J. Wadhwa and J.V. Holding Private Limited as partners. It is engaged in the business of real estate development.

Profit and Loss Sharing Ratio

The profit and loss sharing ratio of the partners in the firm is as follows:

Name of Partners	Profit & Loss Sharing Ratio (%)
JV Holding Private Limited	50.00%
Brindavan Beverages Private Limited	35.00%
P. Kishinchand	10.00%
Manoharlal J. Wadhwa	5.00%

Global Facade Solutions

Global Facade Solutions was formed pursuant to a deed of partnership dated September 10, 2004 between Harmeet Singh and our Company, under the laws of India. Global Facade Solutions was later reconstituted pursuant to a deed of reconstitution of partnership dated January 25, 2007 with Harmeet Singh and Jitendra Virwani as partners. It is engaged in the business of facade, curtain wall and cladding consultation.

Profit and Loss Sharing Ratio

The profit and loss sharing ratio of the partners in the firm is as follows:

Name of Partners	Profit & Loss Sharing Ratio (%)
Harmeet Singh	50.00%
Jitendra Virwani	50.00%

Ramakrishna & Company

Ramakrishna & Company was formed pursuant to a deed of partnership dated November 29, 1988 between T.R. Chandrashekhar Hegde and Ramakrishna Hegde, under the laws of India. It was later reconstituted pursuant to a deed of reconstitution and admission dated September 18, 1993 whereby K.J. George and K.J. Kuruvilla had entered the partnership. It was further reconstituted pursuant to a deed of partnership for admission and reconstitution dated July 18, 2005 whereby Jitendra Virwani entered the partnership. It is engaged in the business of plantation management and trading.

Profit and Loss Sharing Ratio

The profit and loss sharing ratio of the partners in the firm is as follows:

Name of Partners	Profit & Loss Sharing Ratio (%)
T.R.Chandrashekhar Hegde	1.00%
Ramakrishna Hegde	1.00%
K.J.George	49.00%
K.J.Kuruvilla	24.50%
Jitendra Virwani	24.50%

Repute Builders Hardware

Repute Builders Hardware was formed pursuant to a deed of partnership dated August 18, 2008 between Rakesh Darira and Jitendra Virwani, under the laws of India. It is engaged in the business of wholesale and retail sales of hardware and sanitary fittings and other allied businesses.

Profit and Loss Sharing Ratio

The profit and loss sharing ratio of the partners in the firm is as follows:

Name of Partners	Profit & Loss Sharing Ratio (%)
Rajesh Darira	50.00%
Jitendra Virwani	50.00%

Trusts

Dynasty Developers Employees Gratuity Trust

The Dynasty Developers Employees Gratuity Trust is a private trust having its place of business at First Floor, Embassy Point, No. 150, Infantry Road, Bangalore 560 001 and was formed under the deed of declaration of trust dated April 10, 2006, under the laws of India. In terms of the trust deed, our Company has made certain provisions for gratuity payments to our employees or their beneficiaries and set up a group gratuity scheme under the name of Dynasty Developers Private Limited Employees Group Gratuity Assurance Scheme. The terms of the trust deed also provide for the rules for administration of the said scheme. Jitendra Virwani, K.Y. Gopi Krishnan and Narpat Singh Choraria are the trustees of the Dynasty Developers Employees Gratuity Trust.

Embassy Education and Welfare Trust

The Embassy Education and Welfare Trust is a public charitable trust having its place of business at First Floor, Embassy Point, No. 150, Infantry Road, Bangalore 560 001 and was formed under the deed of declaration of trust dated July 21, 2006, under the laws of India. The object of the trust is to establish, maintain and run educational institutions, institutions providing medical relief and services, institutions providing relief to the poor and other public utility institutions and associated infrastructure. Jitendra Virwani, K.Y. Gopi Krishnan and Narpat Singh Choraria are the trustees of the Embassy Education and Welfare Trust.

Foreign Entities

Aquariuz FZ-LLC, Dubai

Aquariuz FZ-LLC, a company incorporated on July 28, 2004, under the laws of Dubai, is engaged in the business of advertising and communication.

The authorised and issued share capital of Aquariuz FZ-LLC is AED 4000,000 divided into 4000 shares of AED 1000 each. Our Promoter holds 47.5% of the issued and paid-up capital of Aquariuz FZ-LLC. The remaining shares are held by another individual.

Dynasty Capital

Dynasty Capital, a company incorporated on April 11, 2008 and registered under the laws of Cayman Islands is a holding company. The authorised share capital of Dynasty Capital is USD 100,000 divided into 100,000 ordinary shares of USD 1 each. The paid up share capital is USD 10,000 divided into 10,000 ordinary shares of USD 1 each, fully held by our individual Promoter.

Worldglow Limited

Worldglow Limited is a company registered under the laws of the Republic of Cyprus and engaged in the business of an investment company, business relating to real estate in general, developing, buying, selling, leasing or sub-leasing and financing any real estate etc. The authorised share capital of Worldglow Limited is USD 50,000 divided into 50,000 ordinary shares of USD 1 each. The paid up share capital is USD 10,000 divided into 10,000 ordinary shares of USD 1 each, fully held by Dynasty Capital.

Other Confirmations

Our Promoters and Group Entities have confirmed that they have not been declared 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 and no proceedings pertaining to such penalties are pending against them.

Additionally, none of the Promoters or Group Entities has been restrained from accessing the capital markets for any reasons by the SEBI or any other authorities.

Litigation

For details relating to the material legal proceeding involving the Promoters and Group Entities, see "Outstanding Litigation and Material Developments" on page 503.

Common Pursuits

Some of our Group Entities have common pursuits and are involved in the construction and real estate sector. We shall adopt necessary procedures and practices as permitted by law to address any conflict situations, as and when they may arise. For, further details on the related party transactions, to the extent of which our Company is involved, see "Related Party Transactions" on page 421.

Sick Company

None of the Group Entities have become sick companies under the Sick Industrial Companies (Special Provisions) Act, 1985 and no winding up proceedings have been initiated against them. Further no application has been made, in respect of any of the Group Entities, to the Registrar of Companies for striking off their names. Additionally, none of our Group Entities have become defunct in the five years preceding the filing of this Draft Red Herring Prospectus.

DIVIDEND POLICY

Under the Companies Act, our Company can pay dividends upon a recommendation by our Board of Directors and approval by a majority of the shareholders at the annual general meeting, who have the right to decrease but not to increase the amount of the dividend recommended by the board of directors. The dividends may be paid out of profits of a company in the year in which the dividend is declared or out of the undistributed profits or reserves of previous fiscal years or out of both. The Articles of Association of our Company also gives the discretion to our Board of Directors to declare and pay interim dividends without shareholder's approval at an annual general meeting.

The declaration and payment of dividend will be recommended by our Board and approved by the shareholders of our Company at their discretion and will depend on a number of factors, including the results of operations, earnings, capital requirements and surplus, general financial conditions, contractual restrictions, applicable Indian legal restrictions and other factors considered relevant by the Board. The Board may also from time pay interim dividend. All dividend payments are made in cash to the shareholders of our Company. Our Company has not declared any dividends since incorporation.

SECTION V – FINANCIAL STATEMENTS

CONSOLIDATED FINANCIAL INFORMATION

B S R and Co.
No 11-12/1, Maruti Infotech Centre
Inner Ring Road
Koramangala
Bangalore – 560071

Auditors' Report

The Board of Directors
Embassy Property Developments Private Limited (formerly known as Dynasty Developers Private Limited)

We have examined the attached restated consolidated financial information of Embassy Property Developments Private Limited ('EPDPL' or 'the Company') and its subsidiaries, joint ventures and associates, as approved by the Board of Directors of the Company, prepared in terms of the requirements of Paragraph B, Part II of Schedule II to the Companies Act, 1956, as amended ('the Act') and the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended (the 'SEBI Regulations'), the Guidance note on 'Reports in Company's Prospectus (Revised)' issued by the Institute of Chartered Accountants of India ('ICAI'), to the extent applicable ('Guidance Note') and in terms of our engagement agreed upon with you in accordance with our engagement letter dated 11 December 2009 in connection with the proposed issue of Equity Shares of the Company.

These information have been extracted by the Management from the consolidated financial statements for the years ended 31 March 2005, 2006, 2007, 2008, 2009 and for the eleven months period ended 28 February 2010. Audit for the consolidated financial statements for the years ended 31 March 2005, 2006, 2007 and 2008 was conducted by M/s K.S. Sanghvi & Co, whose reports have been furnished to us and accordingly relied upon by us. The consolidated financial statements for the year ended 31 March 2009 and the eleven months period ended 28 February 2010 have been audited by us.

The financials statements of certain subsidiaries for the year ended 31 March 2009 and eleven month period ended 28 February 2010 have been audited by other firm of Chartered Accountants namely, M/s. K.S. Sanghvi & Co, M/s. H R A & Co, M/s. NSVM & Associates, M/s. Prabhu & Prakash, M/s. Grant Thornton, M/s. Gunalan Associates, M/s. Ernst & Young, M/s. Murali Associates and M/s Tarak Madhani & Associates whose reports have been furnished to us and accordingly relied upon by us. The said financial statements reflect the total assets of Rs. 9,111.01 million and Rs. 10,398.69 million as at 31 March 2009 and as at 28 February 2010 respectively and the Group's share of total revenues of Rs.1,183.20 million and Rs 1,785.12 million for the years ended 31 March 2009 and for the eleven months period ended 28 February 2010 respectively. The financial statements of certain subsidiaries are not audited by any auditors which reflect total assets of Rs 93.90 million and Rs 164 million as at 31 March 2009 and as at 28 February 2010 respectively and the Group's share of total revenues of Rs Nil and Rs Nil for the years ended 31 March 2009 and for the eleven months period ended 28 February 2010 respectively

In accordance with the requirements of Paragraph B, Part II of Schedule II of the Act, the SEBI Regulations and the terms of our engagement agreed with you, we further report that:

(a) The Restated Consolidated Summary Statement of assets and liabilities of the Company as at 31 March 2005, 2006, 2007, 2008, 2009 and as at 28 February 2010 examined by us, as set out in Annexure I to this report read with the significant accounting policies in Annexure V are after making such adjustments and regroupings as in our opinion are appropriate and more fully described in Notes to the Restated Consolidated Summary Statements enclosed as Annexure IV to this report.

(b) The Restated Consolidated Summary Statement of profits or losses of the Company for the years ended 31 March 2005, 2006, 2007, 2008, 2009 and for the eleven month period ended 28 February 2010 are as set out in Annexure II to this report read with the significant accounting policies in Annexure V are after making such adjustments and regroupings as in our opinion are appropriate and more fully described in Notes to the Restated Consolidated Summary Statements enclosed as Annexure IV to this report.

(c) Based on the above, we are of the opinion that the restated consolidated financial information have been made after incorporating:

i. Adjustments for the changes in accounting policies retrospectively in respective financial years / period to reflect the same accounting treatment as per the changed accounting policy for all the reporting periods.

ii. Qualifications in the auditor's report, which require adjustments to the Restated Consolidated Summary Statements.

iii. Adjustments for prior period and other material amounts in the respective financial years/ period to which they relate.

iv. And there are no extra-ordinary items that need to be disclosed separately in the accounts.

(d) We have also examined the following consolidated financial information as set out in Annexures prepared by the Management and approved by the Board of Directors relating to the Company and its subsidiaries, joint ventures and associates for the years ended 31 March 2005, 2006, 2007, 2008, 2009 and for the eleven month period ended 28 February 2010.

i. Annexure III containing statement of consolidated cash flows, as restated;

ii. Annexure VI containing details of dividend;

iii. Annexure VII containing statement of accounting ratios, as restated;

iv. Annexure VIII containing details of consolidated other income, as restated;

v. Annexure IX containing details of consolidated secured loans, as restated;

vi. Annexure X containing details of consolidated unsecured loans, as restated;

vii. Annexure XI containing details of consolidated investments; as restated;

viii. Annexure XII containing details of consolidated sundry debtors; as restated;

ix. Annexure XIII containing details of consolidated current assets and loans and advances; as restated;

x. Annexure XIV containing details of consolidated contingent liabilities, as restated;

xi. Annexure XV containing capitalisation statement as at 28 February 2010;

xii. Annexure XVI containing details of consolidated related parties transactions and balances outstanding with them; and

In our opinion, the above financial information contained in Annexure I to XVI of this report read along with the significant accounting policies (Refer Annexure V), Notes to the Restated Consolidated Summary Statements (Refer Annexure IV) are prepared after making adjustments and regrouping as considered appropriate and have been prepared in accordance with Paragraph B, Part II of Schedule II of the Act and the SEBI Regulations.

Our report is intended solely for use of the Management and for inclusion in the offer document in connection with the proposed issue of Equity Shares of the Company. Our report should not to be used, referred to or distributed for any other purpose without our written consent.

for **B S R and Co.**
Chartered Accountants

Zubin Shekary
Partner
Membership No: 48814
Firm Registration No: 128510W

Place : Bangalore
Date : 2 June 2010

ANNEXURE - I

STATEMENT OF CONSOLIDATED ASSETS AND LIABILITIES, AS RESTATED

Rs in millions

PARTICULARS	As at 31 March 2005	2006	2007	2008	2009	As at 28 February 2010
1. FIXED ASSETS :						
a) Gross block	36.04	322.31	1,109.49	693.03	11,126.84	14,464.57
b) Less : Accumulated depreciation	9.83	22.24	92.33	79.18	552.13	768.14
c) Net block	**26.21**	**300.07**	**1,017.16**	**613.85**	**10,574.71**	**13,696.43**
d) Capital work-in-progress including capital advances	324.60	574.11	528.46	2,852.58	3,235.80	2,904.80
Total	**350.81**	**874.18**	**1,545.62**	**3,466.43**	**13,810.51**	**16,601.23**
2. GOODWILL	-	-	-	0.33	12,775.24	12,917.27
3. INVESTMENTS	10.75	35.44	165.67	400.97	331.72	393.88
4. CURRENT ASSETS, LOANS AND ADVANCES :						
a) Inventories (including contract work-in-progress)	403.57	781.83	461.01	805.78	2,976.81	1,451.83
b) Sundry debtors	147.19	261.50	355.87	807.69	948.08	531.34
c) Cash and bank balances	38.96	141.12	426.74	482.89	626.58	683.75
d) Current assets, loans and advances	1,879.61	3,612.62	4,146.18	4,220.58	6,097.18	5,404.76
Total	**2,469.33**	**4,797.07**	**5,389.80**	**6,316.94**	**10,648.65**	**8,071.68**
5. LIABILITIES AND PROVISIONS :						
a) Secured loans	330.83	2,031.79	2,331.22	3,866.03	13,424.45	14,492.98
b) Unsecured loans	338.06	860.99	784.19	811.73	1,248.18	1,218.75
c) Current liabilities and provisions	2,009.41	2,481.79	3,396.73	4,452.73	8,067.36	7,580.72
d) Deferred tax liability (net)	25.24	70.20	73.42	124.89	109.34	32.04
Total	**2,703.54**	**5,444.77**	**6,585.56**	**9,255.38**	**22,849.33**	**23,324.49**
6. NET WORTH (1 + 2 + 3 + 4 - 5)	**127.35**	**261.92**	**515.53**	**929.29**	**14,716.79**	**14,659.57**
NET WORTH REPRESENTED BY						
7. SHARE CAPITAL						
a) Equity share capital	25.59	25.59	25.59	25.59	25.59	25.59
8. RESERVES AND SURPLUS						
a) Profit and loss account	101.76	236.33	489.94	677.77	640.96	634.80
b) General reserve	-	-	-	-	12,932.20	12,921.76
c) Foreign currency translation reserve	-	-	(0.00)	0.49	11.90	(5.93)
d) Capital reserve	-	-	-	225.24	995.79	1,000.40
9. Minority Interest	-	-	-	0.20	110.35	82.95
10. NET WORTH (7 + 8 + 9)	**127.35**	**261.92**	**515.53**	**929.29**	**14,716.79**	**14,659.57**

Note:

The above statement should necessarily be read with notes to Restated Consolidated Summary Statements and significant accounting policies as appearing in Annexures IV and V.

ANNEXURE - II

STATEMENT OF CONSOLIDATED PROFITS AND LOSSES, AS RESTATED

Rs in millions	For the year ended 31 March					From 1 April 2009 to 28 February
PARTICULARS	**2005**	**2006**	**2007**	**2008**	**2009**	**2010**
INCOME :						
Income from operations						
- Proceeds from sale of land and constructed properties	94.77	11.52	430.81	297.16	1,068.29	1,723.73
- Gain on sale of leased property	-	-	-	105.73	315.35	18.79
- Revenue from construction contracts	101.10	219.55	524.83	130.94	55.19	159.70
- Facility rental	42.77	77.91	139.54	167.90	1,139.84	1,562.88
- Business consultancy	248.11	438.57	356.52	236.72	165.46	120.57
- Miscellaneous	-	-	-	-	88.54	124.24
Other income	12.47	15.69	37.57	134.34	352.38	118.71
Total	**499.22**	**763.24**	**1,489.27**	**1,072.79**	**3,185.05**	**3,828.62**
EXPENDITURE :						
Cost of inventories sold	214.57	211.21	487.11	183.04	496.79	916.28
Operating and administrative expenses	113.84	194.50	419.40	403.62	1,040.19	990.15
Interest and finance charges	30.98	145.00	152.49	233.33	1,255.41	1,609.24
Depreciation	4.05	13.59	70.09	58.53	209.15	256.14
Total	**363.44**	**564.30**	**1,129.09**	**878.52**	**3,001.54**	**3,771.81**
Profit before tax	**135.78**	**198.94**	**360.18**	**194.27**	**183.51**	**56.81**
Less: Provision for tax						
a) Current tax	20.71	17.68	101.23	50.75	262.66	170.04
b) Fringe benefit tax	-	1.32	2.05	3.11	3.78	0.03
c) Deferred tax charge/ (credit)	22.84	44.96	3.23	51.46	(30.66)	(78.68)
Total	**43.55**	**63.96**	**106.51**	**105.32**	**235.78**	**91.39**
Profit / (loss) before share of associates and minority interest	**92.23**	**134.98**	**253.67**	**88.95**	**(52.27)**	**(34.58)**
Share of (loss) /profit from associates	-	(0.41)	(0.06)	98.88	(0.83)	1.09
Net profit / (loss) for the year	**92.23**	**134.57**	**253.61**	**187.83**	**(53.10)**	**(33.49)**
Minority's share of losses in subsidiaries	-	-	-	-	16.29	27.33
Net Profit / (Loss) for the year attributable to parent	**92.23**	**134.57**	**253.61**	**187.83**	**(36.81)**	**(6.16)**

Add: Balance in profit and loss account brought forward, as restated	9.53	101.76	236.33	489.94	677.77	640.96
Balance carried forward to balance sheet, as restated	**101.76**	**236.33**	**489.94**	**677.77**	**640.96**	**634.80**

Note :

1 The above statement should be necessarily read with notes to Restated Consolidated Summary Statements and significant accounting policies as appearing in Annexures IV and V.

ANNEXURE - III

STATEMENT OF CONSOLIDATED CASH FLOWS, AS RESTATED

Rs in millions	For the year ended 31 March					From 1 April 2009 to 28 February
PARTICULARS	**2005**	**2006**	**2007**	**2008**	**2009**	**2010**
A) Cash flow from operating activities						
Net profit before tax after income from associates, as restated	135.78	198.53	360.12	293.15	182.68	57.90
Adjustments for:						
Depreciation	4.05	13.59	70.09	58.53	209.15	256.14
Interest expense	30.98	145.00	152.49	231.54	1,250.40	1,563.44
Dividend income	(1.00)	(0.90)	(0.72)	(3.73)	-	0.00
Increase / (Decrease) in foreign currency translation reserve	-	-	-	-	11.24	(17.66)
Advances and bad debts written off	-	-	22.65	-	76.58	1.45
Provision for doubtful advances	-	-	-	-	103.73	-
Loss on sale of investments/ provision for diminution of investments	-	-	13.98	(9.14)	9.04	1.30
Profit on sale of fixed assets	-	-	-	(105.73)	(38.18)	(15.28)
Unrealised foreign exchange loss / (gain)	-	-	-	22.62	-	8.74
Interest income	(0.07)	(3.17)	7.90	(102.91)	(309.72)	(60.45)
Operating profit before changes in working capital	**169.74**	**353.05**	**626.51**	**384.34**	**1,494.90**	**1,795.58**
(Increase)/ Decrease in sundry debtors	(99.34)	(114.31)	(94.37)	(451.82)	9.15	399.53
(Increase)/ Decrease in loans and advances and other current assets	(1,250.78)	(1,752.46)	(499.35)	(74.80)	2,503.80	711.32
Decrease/ (Increase) in inventories	(283.97)	(378.27)	320.81	(344.77)	(279.33)	(214.20)
(Decrease)/ Increase in current liabilities and provisions	1,536.36	472.70	884.37	(150.62)	(658.34)	(709.06)
Cash inflow / (outflow) from operating activities	72.01	(1,419.28)	1,237.97	(637.68)	3,070.17	1,983.17
Adjustments for:						
Income taxes paid	(47.85)	0.12	(145.50)	(90.19)	(364.17)	(219.58)
Net cash flow from operating activities [A]	**24.16**	**(1,419.16)**	**1,092.47**	**(727.87)**	**2,706.00**	**1,763.59**
Cash flow from investing activities						
Purchase of fixed assets	(195.56)	(537.09)	(724.60)	(2,216.06)	(3,979.93)	(1,363.88)
Proceeds from sale of fixed assets	0.27	0.13	-	585.46	1,764.27	88.55
Advance received for sale of assets	-	-	-	977.77	-	-
Interest received	0.07	3.17	(7.90)	102.91	347.16	60.45
Dividend income	1.00	0.90	0.72	3.73	-	-
Sale / (purchase) of investments, net	(3.34)	(24.69)	(145.21)	(225.70)	(82.88)	(207.56)
Net cash flow from investing activities [B]	**(197.57)**	**(557.58)**	**(876.98)**	**(771.89)**	**(1,951.38)**	**(1,422.45)**
Cash flow from financing activities:						
Proceeds from borrowings	230.65	2,223.90	222.63	1,562.34	(312.35)	1,041.31
Issue of share capital by the subsidiary / joint venture entities	-	-	-	225.10	555.82	-
Interest paid	(30.98)	(145.00)	(152.49)	(231.54)	(1,252.75)	(1,564.97)
Net cash flow from financing activities [C]	**199.67**	**2,078.90**	**70.14**	**1,555.90**	**(1,009.28)**	**(523.66)**
Net Increase / (decrease) in cash and cash	26.26	102.16	285.63	56.15	(254.65)	(182.52)

equivalents [A+B+C]						
Cash acquired on acquisitions made during the year	-	-	-	-	294.32	26.46
Cash and cash equivalents at the beginning of the year / period	12.70	38.96	141.12	426.74	482.89	522.56
Cash and cash equivalents at the end of the year / period	**38.96**	**141.12**	**426.74**	**482.89**	**522.56**	**366.50**
Cash and cash equivalents comprise:						
Cash and bank balances	38.96	141.12	426.74	482.89	626.58	683.75
Book overdraft	-	-	-	-	(104.03)	(317.25)
	38.96	**141.12**	**426.74**	**482.89**	**522.56**	**366.50**

Note:

1 The cash flow statement has been prepared under the indirect method as set out in Accounting Standard - 3 on Cash Flow Statements as prescribed under by the Companies (Accounting Standards) Rules, 2006.

The above statement should be necessarily read with notes to Restated Consolidated Summary Statements and significant accounting policies as appearing in Annexures IV and V.

ANNEXURE - IV

NOTES TO RESTATED CONSOLIDATED SUMMARY STATEMENTS

A) IMPACT ON PROFIT / LOSSES DUE TO RESTATEMENT

Rs in millions	For the year ended 31 March					From 1 April 2009 to 28 February
PARTICULARS	**2005**	**2006**	**2007**	**2008**	**2009**	**2010**
Profit after tax as per audited profit and loss account	47.23	39.37	207.90	171.94	(51.38)	49.41
Adjustments on account of:						
A) Prior period items (refer note A):						
Revenue/ Income						
a) Management fees	–	17.18	(17.18)	36.15	(36.15)	–
b) Rental income	–	–	–	(29.00)	29.00	–
Expenditure						
c) Income tax	0.74	(1.75)	(10.98)	13.64	11.04	–
d) Personnel costs	–	–	–	(11.15)	11.15	–
e) Leave encashment	(0.41)	(0.25)	(2.09)	(7.84)	10.59	–
f) Write down of inventories	–	(18.47)	–	(1.56)	20.38	–
g) Others	(4.54)	0.76	–	(0.03)	1.47	–
B) Change in accounting policies (refer note B)						
1) Employee benefits - Gratuity	4.38	(1.16)	0.12	–	–	–
2) Impact of change in method of depreciation	0.29	8.88	8.39	8.67	(27.70)	–
C) Other Material adjustments (refer note C)						
1) Revenue recognition - Revenue from construction contracts	13.45	(32.91)	9.89	–	–	–
2) Write down of inventories	(27.59)	24.95	–	2.65	–	–
3) Business consultancy income	81.41	147.39	87.15	–	–	(161.13)
Deferred tax impact on the above	(22.72)	(49.42)	(29.59)	4.36	(5.21)	105.57
Net adjusted profit after tax	**92.23**	**134.57**	**253.61**	**187.83**	**(36.81)**	**(6.16)**

Notes on adjustments for Restated Consolidated Summary Statements

A) Prior period items

Prior period items classified separately in the audited consolidated financial statements for the years ended 31 March 2005, 31 March 2006, 31 March 2007, 31 March 2008, 31 March 2009 and 28 February 2010 have been appropriately adjusted, in the Restated Consolidated Summary Statements, to the results of the respective year / period to which these items pertain with a corresponding restatement of the respective assets / liabilities.

B) Change in accounting policies

1) The Group has adopted the provisions of Accounting Standard 15 - Revised with effect from 1 April 2008 being the applicable date of the revised standard. For the purpose of Restated Consolidated Summary Statements, impact of the provisions of this revised standard has been recomputed by an independent actuary and has been appropriately adjusted in the results for the years ended 31 March 2005, 2006 and 2007.

2) Effective 1 April 2009, the Group has changed the method of computing depreciation from written down value method to straight line method. The impact of change in the method of depreciation from written down value method to straight line method has been adjusted in the relevant years in the preparation of the Restated Consolidated Summary Statements.

C) Other Material adjustments

1) Revenue recognition - Revenue from construction contracts

During the years ended 31 March 2005, 2006 and 2007, revenues from construction contracts were recognized using certain principles of Accounting Standard 9 and certain principles of Accounting Standard 7 which resulted in using a combination of both the standards. For the purpose of Restated Consolidated Summary Statements, revenues and costs of construction contracts have been recognized on a percentage completion method in accordance with the requirements of Accounting Standard 7 and have been adjusted in the respective years.

2) Write down of inventories

The Group incurred certain costs towards development of proposed projects during the year ended 31 March 2005 which were recorded and valued as inventories. In the subsequent years, the projects were called off and inventories were written off. For the purpose of the Restated Consolidated Summary Statements, costs have been debited to the profit and loss account in the years when such costs were incurred.

3) Business consultancy income

During the period ended 28 February 2010, the Group has recognised revenues of Rs 161.13 million towards business consultancy rendered to one of its clients (also a joint venture entity consolidated as part of the Group). This income pertains to additional claims, raised by the Group and agreed by the client, in the current period for services rendered during the years ended 31 March 2005, 2006 and 2007. For the purpose of Restated Consolidated Summary Statements, this revenue has been allocated and recognised in the respective years to which they pertain.

Deferred tax impact on above restatement adjustments

Represents the deferred tax impact on above restatement adjustments.

Material regroupings

Year ended 31 March 2005

1. Buildings amounting to Rs 180.3 million was classified as investments in the consolidated financial statements as at 31 March 2005. For the purpose of the Restated Consolidated Summary Statements the amount has been reclassified as capital work in progress.
2. Buildings under construction amounting to Rs 144.2 million was classified as Inventories as at 31 March 2005. For the purpose of the Restated Consolidated Summary Statements the amount has been reclassified as capital work in progress.

Year ended 31 March 2006

1. Buildings under construction amounting to Rs 175.73 million was classified as Inventories as at 31 March 2006. For the purpose of the Restated Consolidated Summary Statements the amount has been reclassified as capital work in progress.
2. Borrowings amounting to Rs 629.8 million was classified as current liabilities. For the purpose of the Restated Consolidated Summary Statements the amount has been reclassified as unsecured loans.

Year ended 31 March 2007

1. Buildings under construction amounting to Rs 286.1 million was classified as Inventories as at 31 March 2007. For the purpose of the Restated Consolidated Summary Statements the amount has been reclassified as capital work in progress.
2. Borrowings amounting to Rs 563.6 million was classified as current liabilities. For the purpose of the Restated Consolidated Summary Statements the amount has been reclassified as unsecured loans.

Year ended 31 March 2008

1. Borrowings amounting to Rs 600.3 million was classified as current liabilities. For the purpose of the Restated Consolidated Summary Statements the amount has been reclassified as unsecured loans.
2. Capital advances amounting to Rs 318.2 million was classified as advances recoverable in cash or in kind as at 31 March 2008. For the purpose of the Restated Consolidated Summary Statements the amount has been reclassified as capital work in progress.

ANNEXURE – IV (CONTINUED)

NOTES TO RESTATED CONSOLIDATED SUMMARY STATEMENTS

B) AUDITORS QUALIFICATIONS

Auditors' qualifications which have been given effect to in the Restated Consolidated Summary Statements

Entity name: Embassy Property Developments Limited (EPDL) [For the year ended 31 March 2006]

a. During the year ended 31 March 2006, the Company had claimed Rs l8.20 million by way of re-imbursement of certain expenditure from another company which the other company has accepted. However, the company has not recognized the revenue in this respect, and therefore, the profit and receivables to that extent are understated. These revenues have been treated as prior period income in the audited results for the year ended 31 March 2007.

   Management's comments - For the purpose of Restated Consolidated Summary Statements, these revenues have been appropriately recorded as income for the year ended 31 March 2006.

Auditors' qualifications which do not require any adjustment in the Restated Consolidated Summary Statements

Entity name: Embassy Property Developments Limited (EPDL) [For the year ended 31 March 2007 and 2008]

a. During the years ended 31 March 2007 and 2008, the Company was unable to produce share certificate for investments in Ojas Industrial Private Limited of Rs 31 million for verification of the auditor as it was claimed to be lying in the safe custody of a lawyer.

   Management's comments - The said investments was sold by the Company during the year ended 31 March 2009.

b. During the years ended 31 March 2007 and 2008, the Company was unable to obtain confirmation of balances in party accounts.

   Management's comments - The Company has provided the necessary confirmation of balances during the audit for the year ended 31 March 2009.

c. During the year ended 31 March 2008, the Company was unable to provide documents in respect of advance of Rs 324.70 million made to Wildflower Estates & Resorts Private Limited.

   Management's comments - Agreement evidencing advance of Rs 324.70 million to Wildflower Estates & Resorts Private Limited was made available for the auditors verification during the audit for the year ended 31 March 2009.

Entity name: Manyata Promoters Private Limited (Joint Venture) [For the year ended 31 March 2009]

d. One of the joint venture entities i.e., Manyata Promoters Private limited, has entered into contracts with the following companies:

   (i) Reddy Veeranna Constructions Private Limited (RVCPL) for project works aggregating Rs 32.06 million during the period 17 October 2008 to 02 March 2009 in which one of the directors of the company is also a director/ member of Reddy Veeranna Constructions Private Limited at the time of entering into the contracts

   (ii) Embassy Services Private Limited (ESPL), for maintaining maintenance and service works, for tech park, aggregating to Rs 0.1 million during the period 01 April 2008 to 31 March 2009, in which one of the directors of the company was also a member of Embassy Services Private Limited at the time of entering into contracts.

   The companies paid up capital is more than Rs one crore and in the above both the cases prior approval of the central government under section 297 of the Companies Act, 1956 was required. The company has not obtained the Central Government of India's approval for the above transactions as on the date of the report.

Management's comments - The Company has obtained the permission from central government in respect of the above for transactions entered into from 26 January 2010 onwards in respect of RVCPL and from 6 February 2010 onwards in respect of ESPL. The Company has represented that an application has been made to the Central Government to approve / ratify the transactions entered into till 25 January 2010 and 5 February 2010 respectively in respect of transactions with RVCPL and ESPL. The application for ratification of past transactions is awaited as at the report date.

Entity name: DSRK Holdings Private Limited [For the year ended 31 March 2009]

e. During the years ended 31 March 2009, the Company was unable obtain confirmation of balances in party accounts.

Management's comments -The Company has provided the necessary confirmation of balances during the audit for the eleven month period ended 28 February 2010.

ANNEXURE – IV (CONTINUED)

NOTES TO RESTATED CONSOLIDATED SUMMARY STATEMENTS

C) DETAILS OF GOODWILL AND CAPITAL RESERVE ARISING ON ACQUISITIONS MADE BY EMBASSY PROPERTY DEVELOPMENTS PRIVATE LIMITED

The details of investments made by the Company which have resulted in goodwill and capital reserve at the time of acquisition are as below:

Rs in millions

Name of the entity	Date of acquisition	Percentage stake acquired	Cost of acquisition	Net assets/ (liabilities) acquired	Goodwill - refer note 1	Capital reserve
Manyata Promoters Private Limited (refer note 2)	1-Apr-08	15%	4,412.72	77.18	4,335.54	-
Manyata Promoters Private Limited	5-Oct-09	1.63%	149.59	5.88	143.71	-
DSRK Holdings Private limited (refer note 2)	1-Apr-08	50%	3,897.37	1,512.74	2,384.63	-
Concord India Private Limited (refer note 2)	14-Oct-08	51%	4,364.10	62.19	4,301.91	-
Saphire Realtors Private Limited	1-Apr-08	72.79%	21.45	(49.57)	71.02	-
Nam Estates Private Limited (refer note 3)	1-Apr-08	91.48%	0.46	(20.00)	14.62	-
Swire Investments Private Limited	1-Apr-08	99%	0.10	(0.36)	0.46	-
GV Properties Private Limited	1-Apr-08	50%	0.05	(5.20)	5.25	-
Golf Links Software Park Private Limited	1-Oct-08	49%	0.98	(374.85)	375.83	-
Pune Dynasty Projects Private Limited (refer note 3)	18-Sep-07	100%	0.63	135.32	-	-
Pune Embassy Projects Private Limited (refer note 3)	18-Sep-07	100%	3.34	721.67	-	-
Umbel Properties Private Limited	8-Jul-08	26.66%	33.19	(5.12)	38.31	-
DM Estates Private Limited	1-Apr-08	50%	0.20	2.17	-	(1.97)
Embassy Projects Private Limited	1-Apr-08	100%	0.10	(0.30)	0.40	-
Span Ventures Private Limited	1-Jul-07	50%	10.59	3.21	7.38	-
Neptune Real Estate Private Limited	1-Apr-09	100%	0.50	0.35	0.15	-
Blue Lagoon Real Estate Private Limited	1-Apr-09	100%	0.50	0.35	0.15	-
Trafalgar Estate and Properties Private Limited	1-Apr-09	100%	0.05	0.04	0.01	-
					11,679.38	**(1.97)**

Notes:

1 In addition to the above, Goodwill amounting to Rs 1,237.89 million has been recorded in the books of subsidiaries and joint ventures which are consolidated. Accordingly, Goodwill recorded at the consolidated group amounts to Rs 12,917.27 million.

2 Cost of acquisition represents the cost of acquisition of the shares by Embassy Property Developments Limited at their fair values pursuant to the scheme of arrangement . These investments are acquired by the Company at their fair values. Also refer Annexure IV (G).

3 In case of the above acquisitions, Capital reserve amounting to Rs 998.43 million has arisen due to dilution of stake by the Parent Company to companies outside the Group during the year ended 31 March 2009. Post dilution, the Company retains 50% stake in Pune Embassy Projects Private Limited and Pune Dynasty Projects Private Limited and 65.34% in Nam Estates Private Limited.

4 With regard to the investments made by the Parent Company in other subsidiaries, joint ventures and associates not appearing in the table above, the cost of investment equals the net asset value and hence no goodwill / capital reserve has arisen on consolidation.

ANNEXURE – IV (CONTINUED)

NOTES TO RESTATED CONSOLIDATED SUMMARY STATEMENTS

C) SEGMENT REPORTING

The Group's operations predominantly relate to real estate development and allied activities. The primary business segments of the Group are:

Segment	Principle activities
Trade, development and sale of properties	Includes sale of under-construction commercial office space, development rights, lands, ownership rights and sale of leased property
Real estate consultancy	Property development management and specialized consultancy
Leasing	Lease of commercial office space
Others	Includes income from advertisement and sponsorship income, facility management income from certain business parks etc.

The Group has operations in India, Malaysia and Serbia.

Accounting policies consistently used in the preparation of the consolidated financial statements are also applied to record revenue and expenditure in individual segments.

Assets, liabilities, revenues and direct expenses in relation to segments are categorized based on items that are individually identifiable to that segment, while other items, wherever allocable, are apportioned to the segments on an appropriate basis. Accordingly, interest expenses that directly relate to a particular segment has been considered while arriving at the segment result. Certain items are not specifically allocable to individual segments as the underlying services are used interchangeably. The Group, therefore, believes that it is not practical to provide segment disclosures relating to such items, and accordingly such items are separately disclosed as unallocated.

Primary segment information:

Rs in millions	For the year ended 31 March					From 1 April 2009 to 28 February
Particulars	**2005**	**2006**	**2007**	**2008**	**2009**	**2010**
Segment revenue						
Trade, development and sale of properties	195.87	231.07	955.64	533.82	1,438.83	1,902.22
Real estate consultancy	248.11	438.57	356.52	236.72	167.95	120.57
Leasing	42.77	77.91	139.54	167.90	1,139.96	1,562.88
Others	-	-	-	-	85.92	124.24
	486.75	**747.55**	**1,451.70**	**938.44**	**2,832.67**	**3,709.91**
Segment profit / (loss)						
Trade, development and sale of properties	(21.58)	(1.00)	280.65	284.07	513.79	631.42
Real estate consultancy	244.26	431.47	339.66	201.43	82.35	34.27
Leasing	40.53	70.53	58.26	96.09	71.90	(11.11)
Others	-	-	-	-	6.81	(7.89)
	263.21	**501.00**	**678.57**	**581.59**	**674.85**	**646.69**
Other unallocable expenditure, net of unallocable income	127.43	302.47	318.45	288.44	492.17	588.79
Profit before tax, but after share of profit / losses from associates	**135.78**	**198.53**	**360.12**	**293.15**	**182.68**	**57.90**
Income taxes						
- current tax	20.71	17.68	101.23	50.75	262.66	170.04
- deferred tax charge/ (credit)	22.84	44.96	3.23	51.46	(30.66)	(78.68)
- fringe benefit tax	-	1.32	2.05	3.11	3.78	0.03
	43.55	**63.96**	**106.51**	**105.32**	**235.78**	**91.39**
Profit / (loss) after tax for the year / period	**92.23**	**134.57**	**253.61**	**187.83**	**(53.10)**	**(33.49)**

Segment assets						
Trade, development and sale of properties	1,751.33	2,955.86	2,934.58	4,798.65	12,797.22	10,595.87
Real estate consultancy	81.41	245.98	315.95	376.91	361.51	55.51
Leasing	328.82	609.85	939.67	2,995.53	21,764.73	23,779.67
Others	-	-	-	-	89.45	206.25
Corporate – unallocated	669.33	1,895.00	2,910.90	2,013.59	2,553.22	3,346.75
	2,830.89	**5,706.69**	**7,101.10**	**10,184.68**	**37,566.12**	**37,984.05**
Segment liabilities						
Trade, development and sale of properties	1,385.05	1,990.40	2,047.73	2,838.70	3,914.80	2,175.28
Real estate consultancy	2.10	-	6.36	-	20.12	0.54
Leasing	34.58	115.97	124.11	2,913.00	12,417.38	14,826.54
Others	-	-	-	-	8.34	9.31
Corporate – unallocated	1,281.80	3,338.40	4,407.37	3,503.71	6,488.69	6,312.82
	2,703.53	**5,444.77**	**6,585.57**	**9,255.41**	**22,849.33**	**23,324.49**
Depreciation charge for the year / period						
Trade, development and sale of properties	-	-	-	-	-	-
Real estate consultancy	-	-	-	-	-	-
Leasing	0.03	5.72	59.41	48.77	196.59	250.81
Maintenance	-	-	-	-	-	-
Others	-	-	-	-	2.51	0.50
Corporate – unallocated	4.02	7.87	10.68	9.76	10.05	4.83
	4.05	**13.59**	**70.09**	**58.53**	**209.15**	**256.14**
Capital expenditure (including capital work in progress)						
Trade, development and sale of properties	-	-	-	-	-	-
Real estate consultancy	-	-	-	-	-	-
Leasing	195.40	340.14	561.52	2,280.27	6,705.78	994.06
Others	-	-	-	-	-	-
Corporate – unallocated	-	196.94	252.62	292.84	177.74	0.84
	195.40	**537.08**	**814.14**	**2,573.11**	**6,883.52**	**994.90**

Secondary segment information:

Rs in millions	**For the year ended 31 March**					**From 1 April 2009 to 28 February**
Particulars	**2005**	**2006**	**2007**	**2008**	**2009**	**2010**
Segment revenue						
- India	486.75	747.55	1,451.70	938.44	2,218.86	2,717.90
- Malaysia	-	-	-	-	613.81	992.01
	486.75	**747.55**	**1,451.70**	**938.44**	**2,832.67**	**3,709.91**
Segment assets						
- India	2,830.89	5,706.69	6,949.38	9,667.99	36,546.41	36,954.36
- Malaysia	-	-	151.71	516.69	1,019.71	1,029.69
	2,830.89	**5,706.69**	**7,101.09**	**10,184.68**	**37,566.12**	**37,984.05**
Capital expenditure						
- India	195.40	537.08	814.14	2,573.11	6,883.52	994.90
- Malaysia	-	-	-	-	-	-
	195.40	**537.08**	**814.14**	**2,573.11**	**6,883.52**	**994.90**

ANNEXURE – IV (CONTINUED)

NOTES TO RESTATED CONSOLIDATED SUMMARY STATEMENTS

D) CONTRACT ACCOUNTING

Following disclosures are relating to contracts in progress at the year / period end:

Rs in millions	**As at 31 March**					**As at 28 February**
Particulars	**2005**	**2006**	**2007**	**2008**	**2009**	**2010**
Aggregate amount of costs incurred and recognised profits upto reporting date	78.08	242.58	524.83	655.77	710.96	-
Advances received during the year	265.29	189.56	50.40	162.16	76.00	-
Retention amount	-	-	-	-	-	-
Gross amount due to customers	265.29	380.51	96.86	152.70	131.46	-
Gross amount due from customers	23.02	-	2.95	90.01	89.58	-

Note:
1 There are no contracts in progress as at 28 February 2010

ANNEXURE – IV (CONTINUED)

NOTES TO RESTATED CONSOLIDATED SUMMARY STATEMENTS

E) LEASES

1) Assets taken on cancellable operating lease

The Group has taken on lease office facilities under cancellable operating lease agreements. The Group intends to renew such leases in the normal course of its business. Total expense under operating leases amounted to the following:

Rs in millions	For the year ended 31 March					From 1 April 2009 to 28 February
Particulars	**2005**	**2006**	**2007**	**2008**	**2009**	**2010**
Lease rental expense	21.53	10.51	10.01	17.53	27.24	11.73

2) Minimum lease payments receivable from assets given on non-cancellable operating lease

The following are the minimum lease payments receivable from assets given under non cancellable operating leases:

Rs in millions	As at 31 March					As at 28 Feb
Particulars	**2005**	**2006**	**2007**	**2008**	**2009**	**2010**
Not later than one year	53.88	56.95	164.03	55.11	1,426.26	1,856.41
Later than one year and not later than five years	154.34	102.26	374.48	166.73	3,165.34	3,060.57
Later than five years	-	-	-	-	248.84	202.16
Total	**208.22**	**159.21**	**538.51**	**221.84**	**4,840.44**	**5,119.14**

The following assets have been leased out to lessees under operating lease arrangements where the Group is the lessor:

As at and for the eleven month period ended 28 February 2010

Asset category	Gross block	Accumulated depreciation	Net block	Depreciation for the period
Land	900.35	-	900.35	-
Leasehold land	114.91	6.71	108.20	3.91
Land held under joint development	413.77	-	413.77	-
Building	7,099.10	338.06	6,761.04	110.50
Plant and machinery	1,486.28	142.60	1,343.69	61.49
Electrical equipment	890.68	100.70	789.98	39.35
Furniture and fixtures	473.60	115.00	358.60	35.56
Total	**11,378.69**	**703.07**	**10,675.63**	**250.81**

As at and for the year ended 31 March 2009

Asset category	Gross block	Accumulated depreciation	Net block	Depreciation for the year
Land	868.13	-	868.13	-
Leasehold land	113.03	5.31	107.72	2.47
Building	6,307.52	267.21	6,040.31	92.69
Plant and machinery	1,160.37	80.88	1,079.49	39.69
Electrical equipment	731.84	57.89	673.95	24.14
Furniture and fixtures	426.69	79.01	347.68	37.60
Total	9,607.58	490.30	9,117.28	196.59

As at 31 March 2008

Asset category	Gross block	Accumulated depreciation	Net block	Depreciation for the year
Land	28.28	-	28.28	-
Land held under joint development	-	-	-	-
Building	320.39	42.51	277.88	45.63
Plant and machinery	44.76	0.63	44.13	0.37
Furniture and fixtures	5.50	0.66	4.84	0.37
Total	398.93	43.80	355.13	46.37

As at 31 March 2007

Asset category	Gross block	Accumulated depreciation	Net block	Depreciation for the year
Building	667.02	64.62	602.40	59.15
Plant and machinery	5.49	0.27	5.22	0.11
Furniture and fixtures	5.50	0.30	5.20	0.14
Total	678.01	65.19	612.82	59.40

As at 31 March 2006

Asset category	Gross block	Accumulated depreciation	Net block	Depreciation for the year
Building	180.36	5.46	174.90	5.46
Plant and machinery	1.68	0.16	1.52	0.11
Furniture and fixtures	2.14	0.15	1.99	0.14
Total	184.18	5.77	178.41	5.71

As at 31 March 2005

Asset category	Gross block	Accumulated depreciation	Net block	Depreciation for the year
Plant and machinery	1.68	0.04	1.64	0.02
Furniture and fixtures	2.14	0.01	2.13	0.01
Total	3.82	0.05	3.77	0.03

ANNEXURE – IV (CONTINUED)

NOTES TO RESTATED CONSOLIDATED SUMMARY STATEMENTS

F) GRATUITY

In accordance with applicable Indian Laws, the Group provides for gratuity, a defined benefit retirement plan (Gratuity Plan). The Gratuity Plan provides a lump sum payment to vested employees, at retirement or termination of employment, an amount based on the respective employee's last drawn salary and the years of employment with the Group. The Group provides the gratuity benefit through annual contributions to a fund managed by the insurer (Life Insurance Corporation of India). Under this plan, the settlement obligation remains with the Group, although the Employees Gratuity Trust administers the plan and determines the contribution premium required to be paid by the Group.

	As at 31 March					As at 28 February
Rs in millions	**2005**	**2006**	**2007**	**2008**	**2009**	**2010**
Obligations at beginning of the year	1.90	1.54	1.60	2.13	3.80	4.44
Service cost	(0.36)	-	0.16	1.82	1.10	1.10
Interest on defined benefit obligation	-	0.10	0.13	0.23	0.27	0.29
Benefits settled	-	0.11	-	(0.23)	-	-
Actuarial (gain)/loss	-	(0.15)	0.24	(0.14)	(0.73)	(0.61)
Obligations at year end	**1.54**	**1.60**	**2.13**	**3.80**	**4.44**	**5.22**
Plan assets at year beginning, at fair value	-	-	-	1.44	2.73	2.75
Expected return on plan assets (estimated)	-	-	-	0.16	0.22	0.50
Actuarial gain / (loss)	-	-	-	0.04	(0.22)	0.34
Contributions	-	-	1.44	1.33	0.02	-
Benefits settled	-	-	-	(0.23)	-	-
Plan assets at year end, at fair value	**-**	**-**	**1.44**	**2.73**	**2.75**	**3.59**
Reconciliation of present value of the obligation and the fair value of the plan assets:						
Closing obligations	(1.54)	(1.60)	(2.13)	(3.80)	(4.44)	(5.22)
Closing fair value of plan assets	-	-	1.44	2.73	2.75	3.59
Asset / (liability) recognized in the balance sheet	**(1.54)**	**(1.60)**	**(0.69)**	**(1.07)**	**(1.65)**	**(1.63)**
Gratuity cost for the year						
Service cost	(0.36)	-	0.16	1.82	1.10	1.10
Interest cost	-	0.10	0.13	0.23	0.27	0.29
Expected return on plan assets	-	-	-	(0.16)	(0.22)	(0.50)
Actuarial (gain)/loss	-	(0.15)	0.24	(0.18)	(0.50)	(0.27)
Net gratuity cost	**(0.36)**	**(0.05)**	**0.53**	**1.71**	**0.64**	**0.62**
Assumptions						
Discount rate	7.00%	7.50%	7.95%	8.00%	7.00%	8.40%
Estimated rate of return on plan assets	0.00%	0%	7.50%	8.00%	8.00%	7.50%
Salary increase	7.00%	7.00%	7.00%	7.00%	6.00%	7.00%

ANNEXURE – IV (CONTINUED)

NOTES TO RESTATED CONSOLIDATED SUMMARY STATEMENTS:

G) Scheme of arrangement:

Merger :- Background and nature of business

A Scheme of Arrangement (the "Merger Scheme") pursuant to Section 391 to 394 of the Companies Act, 1956 (the "Act") and Rules 67 to 87 of the Companies (Court) Rules 1959 (the "Rules") and other applicable provisions of Act and Rules was approved by the Honourable High Court of Karnataka for the merger of Embassy Finvest Private Limited, Dynasty Stock Holdings Private Limited, Embassy Management Consultants Private Limited, Embassy Realtors Private Limited, Narpat Holdings Private Limited, Embassy Home Investments Private limited and Embassy Leasing Private Limited (the "Transferor Companies") into Embassy Property Developments Limited (the "Transferee Company" or the "Company").

The Merger Scheme was approved by the shareholders of the Transferor Companies on 10 November 2008. The Honorable High Court of Karnataka sanctioned the Merger Scheme vide its Order dated 25 January 2010. The Merger Scheme became effective on 16 February 2010 on submission of the orders of the Honorable High Court of Karnataka, with the Registrar of Companies at Bangalore.

Salient features of the Merger Scheme

The appointed date for the Merger Scheme is 1 April 2008.

Since the entire equity share capital of all the Transferor Companies is held by the Transferee Company, no shares of the Transferee Company shall be allotted in respect of its holding in the Transferor Companies and the investments in the shares of the Transferor Companies, appearing in the books of the Transferee Company as on the merger appointed date shall stand cancelled.

Accounting treatment in the books of the Company

1) All the assets and liabilities of the Transferor Companies, whether recorded in the books or not, shall be recorded by the Transferee Company at their respective fair values.

2) The amount of inter company balances between the Transferor Companies and the Transferee Company shall stand cancelled upon the scheme coming into effect.

3) In case of any differences in accounting policies between the Transferee Companies and theTransferor Company, the accounting policies followed by the Transferee Company shall prevail to ensure that the financial statements reflect the financial position on the basis of consistent accounting policies

4) Surplus, if any, of the net assets acquired by the Transferee Company after making adjustments as stated above, shall be credited to the general reserve account in the books of the Transferee Company. Deficit, if any, shall be debited to the profit and loss account in the books of the Transferee Company.

5) Further, upon the scheme becoming effective, the Transferee Company shall restate all or such of its assets, including but not limited to fixed assets and existing investments at their respective fair values. The Transferee Company shall recognize the difference between the book value of the assets and the fair value of the assets in the reserve for business restructuring. This reserve shall be withdrawn and credited to the general reserve account of the Transferee Company as and when considered appropriate by the Board of Directors of the Transferee Company.

The accounting treatment for the merger in the transferee company is as follows:

Rs in millions	Embassy Finvest Private Limited	Narpat Holdings Private Limited	Embassy Leasing Private Limited	Embassy Management Consultants Private Limited	Embassy Realtors Private Limited	Dynasty Stock Holdings Private Limited	Embassy Homes Investments Private Limited
Fair value of assets taken over	8,402.25	3,175.77	304.49	388.86	39.68	29.80	36.05
Fair value of liabilities taken over	(1,774.38)	(0.01)	(91.37)	(334.83)	(35.83)	(0.02)	(36.19)
Net assets taken over at fair value	6,627.87	3,175.76	213.12	54.03	3.85	29.78	(0.14)
Less: Cost of investment in the books of transferee company	(4.01)	(0.36)	(0.10)	(1.67)	(0.88)	(0.10)	(0.20)
Surplus	6,623.86	3,175.40	213.02	52.36	2.97	29.67	(0.34)
Net surplus							**10,096.94**
Fair valuation of assets in the books of the transferee company as at 1 April 2008							
Surplus on fair valuation of a land owned by the Company (transferee)							1,739.18
Surplus on fair valuation of an investment held by the Company (transferee company)							1,096.08
Net surplus credited to general reserve as per the scheme of merger							**12,932.20**

Accounting treatment for merger:

In accordance with the court approved scheme, assets and liabilities of the transferor entities were fair valued upwards by an amount of Rs 10,096.94 million and the resulting net surplus along with surplus arising on fair valuation of certain assets of the Company in all aggregating Rs 12,932.20 million has been credited to general reserve.

Had the Company adopted the principles of paragraphs 12 and 13 of the Accounting Standard 14 "Accounting for Amalgamations", assets and liabilities of the transferor companies and selective assets of the transferee company would not have been fair valued and the surplus would have been credited to capital reserve account.

Scheme of arrangement - Demerger

Background and nature of business

A Scheme of Arrangement (the “Demerger Scheme”) pursuant to Section 391 to 394 of the Companies Act, 1956 (the Act) and Rules 67 to 87 of the Companies (Court) Rules 1959 (the ”Rules”) and other applicable provisions of Act and Rules was approved by the Honorable High Court of Karnataka for the demerger of the certain specified rental premises owned by Embassy Property Developments Limited (the “Transferor Company” or the “Company”) to Starwood Properties Private Limited, Polywood Properties Private Limited and LJ Victoria Properties Private Limited (the “TransfereeCompanies”).

The Demerger Scheme was approved by the shareholders of the Transferor Company on 10 November 2008. The Honorable High Court of Karnataka sanctioned the Demerger Scheme vide its Order dated 25 January 2010. The Demerger Scheme

became effective on 16 February 2010 on submission of the orders of the Honorable High Court of Karnataka, with the Registrar of Companies at Bangalore.

Salient features of the Demerger Scheme

The appointed date for the scheme of Demerger Scheme is 1 April 2009.

The consideration for demerger of assets will be paid by the Transferee Companies to the shareholders of the Transferor company. Hence no consideration is received by the Transferor Company

Accounting treatment in the books of the Company

1) The Transferor Company shall reduce from the book value of its assets, the book value of the assets pertaining to the certain specified rental premises transferred and from the book value of its liabilities, the book value of liabilities pertaining to such certain specified rental premises .

2) Surplus/ Deficit, if any, of the net assets transferred by the Transferor Company shall be debited or credited to the general reserve account in the books of the Transferor Company.

The accounting treatment for the merger in the transferee company is as follows:

	Starwood Properties Private Limited	**Polywood Properties Private Limited**	**LJ Victoria Properties Private Limited**	**Total**
Book value of assets demerged	53.15	13.03	174.89	241.07
Book value of liabilities demerged	(27.77)	-	(202.86)	(230.63)
	25.38	13.03	(27.97)	10.44
Consideration received by the Company	-	-	-	-
Net (deficit) debited to general reserve	**(25.38)**	**(13.03)**	**27.97**	**(10.44)**

ANNEXURE – IV (CONTINUED)

NOTES TO RESTATED CONSOLIDATED SUMMARY STATEMENTS:

H) Subsequent events

1. Issue of bonus equity shares

The Board of Directors of Embassy Property Developments Limited, in their meeting held on 25 April 2010, recommended issue of bonus shares in the ratio of 380 equity shares for every equity share held by the equity shareholder, subject to the approval by equity shareholders.

The above resolution seeks to issue 972.42 million bonus shares to the existing shareholders by capitalising the existing general reserves to the extent of Rs 9,724.2 million.

Resolution for issue of the above bonus shares was approved by the shareholders in their meeting held on 25 April 2010 vide a special resolution. .

2. Conversion of status from Private Limited to a Public Limited Company

The Board of Directors in their meeting held on 25 April 2010, have approved the resolution to convert Embassy Property Developments Private Limited from a Private Limited Company to a Public Limited Company in accordance with the provisions of Companies Act, 1956.

ANNEXURE - V

ACCOUNTING POLICIES TO THE CONSOLIDATED ACCOUNTS

Background

Embassy Property Developments Limited ('EPDL') or 'the Company') was incorporated on 30 July 1996. The registered office of the Company is located at Bangalore, Karnataka, India. The Company, its subsidiaries, associates and joint venture companies (together referred to as "the Group") are primarily engaged in the business of real estate development and related consulting services and leasing of properties.

The Restated Consolidated Summary Statements relate to the Group and have been specifically prepared for inclusion in the document to be filed by the Company with the Securities and Exchange Board of India ("SEBI") in connection with its proposed Initial Public Offering. The Restated Consolidated Summary Statements consist of the restated consolidated summary statement of assets and liabilities of the Group as at 31 March 2005, 2006, 2007, 2008, 2009 and 28 February 2010, the related restated consolidated summary statement of profits and losses for the years ended 31 March 2005, 2006, 2007, 2008, 2009 and the eleven month period ended 28 February 2010 and the related restated consolidated summary statement of cash flows for each of the years ended 31 March 2005, 2006, 2007, 2008, 2009 and the eleven month period ended 28 February 2010 (these restated consolidated financial statements hereinafter are collectively referred to as the "**Restated Consolidated Summary Statements**").

The Restated Consolidated Summary Statements have been prepared to comply in all material respects with the requirements of Schedule II to the Companies Act, 1956 ("the Act") and the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations 2009 ("the SEBI Regulations") notified by SEBI on August 26, 2009, as amended from time to time. The Act and the SEBI Regulations require the information in respect of the assets and liabilities and profits and losses of the Company for each of the five years / periods immediately preceding the issue of the Prospectus.

Basis of preparation

The Restated Consolidated Summary Statements have been prepared in accordance with generally accepted accounting principles in India and presented under the historical cost convention, on the accrual basis of accounting and comply with the mandatory Accounting Standards prescribed in the Companies (Accounting Standard) Rules 2006 and other pronouncements of the Institute of Chartered Accountants of India ("ICAI"). The financial statements are presented in Indian rupees.

The subsidiaries, associates and joint ventures consolidated under the Group comprise the entities listed below:

				Effective shareholding (%)				
Sl. No.	**Name of the entity**	**Country of Incorporation**	**28 February 2010**	**31 March 2009**	**31 March 2008**	**31 March 2007**	**31 March 2006**	**31 March 2005**
A	**Direct Subsidiaries**							
1	Embassy Home Investments Private Limited	India	Merged	100%	-	-	-	-
2	Embassy Management Consultants Private Limited	India	Merged	100%	-	-	-	-
3	Embassy Realtors Private Limited	India	Merged	100%	-	-	-	-
4	Saltire Developers Private Limited	India	-	100%	-	-	-	-
5	Embassy Leasing Private Limited	India	Merged	100%	-	-	-	-
6	Dynasty Stock Holdings Private Limited	India	Merged	100%	-	-	-	-
7	Embassy Finvest Private Limited	India	Merged	100%	-	-	-	-
8	Embassy Projects Private Limited	India	100%	100%	-	-	-	-
9	Narpat Holdings Private Limited	India	Merged	100%	-	-	-	-
10	Worldcrown Limited	Cyprus	100%	100%	100%	-	-	-
11	Dynasty Business Parks Sdn Bhd Malaysia	Malaysia	100%	100%	100%	100%	100%	-
12	Swire Investments Private Limited	India	99.00%	99.00%	-	-	-	-
13	Embassy Development Corporation – Partnership firm	India	-	75.00%	-	-	-	-
14	Saphire Realtors Private Limited	India	72.79%	72.79%	-	-	-	-
15	Nam Estates Private Limited	India	65.34%	65.34%	-	-	-	-

16	Blue Lagoon Real Estate Private Limited	India	100%	-	-	-	-	-
17	Neptune Real Estate Private Limited	India	100%	-	-	-	-	-
18	Trafalgar Estate and Properties Private Limited	India	50%	-	-	-	-	-
19	Concord India Private Limited	India	51.00%					
	Step Down Subsidiaries							
20	Concord India Private Limited	India	-	51.00%	-	-	-	-
21	Embassy Group International	Cayman Islands	100%	100%	100%	-	-	-
22	Dynasty International	Cayman Islands	100%	100%	100%	-	-	-
23	Star Dreams	Cayman Islands	100%	100%	100%	-	-	-
24	Worldscope Limited	Cyprus	100%	100%	100%	-	-	-
25	Worldglow Limited	Cyprus	-	100%	-	-	-	-
26	Kingsway Dynasty International	Cayman Islands	54.55%	54.55%	54.55%	-	-	-
27	Worldlodge Limited	Cyprus	54.55%	54.55%	54.55%	-	-	-
28	Embassy Techzones Doo Beograd	Serbia	90%	90%	-	-	-	-
29	Star Pyramid	Cayman Islands	54.55%	54.55%	54.55%	-	-	-
30	Embassy Group International Singapore	Singapore	100%	-	-	-	-	-
B	**Joint Ventures**							
1	GV Properties Private Limited	India	50.00%	50.00%	-	-	-	-
2	Golf Links Software Park Private Limited	India	48.75%	48.75%	-	-	-	-
3	Pune Dynasty Projects Private Limited	India	50.00%	50.00%	50.00%	-	-	-
4	Pune Embassy Projects Private Limited	India	50.00%	50.00%	50.00%	-	-	-
5	DM Estates Private Limited	India	50.00%	50.00%	-	-	-	-

6	Umbel Properties Private Limited	India	43.33%	43.33%	-	-	-	-
7	DSRK (Holdings) Private Limited	India	50.00%	50.00%	-	-	-	-
8	Manyata Promoters Private Limited	India	33.89%	32.25%	-	-	-	-
9	Span Ventures Private Limited	India	50.00%	50.00%	-	-	-	-
10	Magrath Property Developers– Partnership firm	India	50.00%	50.00%	50.00%	50.00%	50.00%	50.00%
11	Embassy ANL Consortium – Partnership firm	India	50.00%	50.00%	50.00%	50.00%	50.00%	-
12	MKN Embassy Development SDN BHD	Malaysia	40.00%	40.00%	40.00%	40.00%	-	-
C	**Associates**							
1	RGE Constructions & Development Private Limited*	India	25.80%	25.80%	25.80%	-	-	-
2	Embassy Real Estate Properties and Holdings Private Limited	India	48.50%	48.50%	-	-	-	-
3	Embassy Development Corporation	India	-	-	50.00%	50.00%	50.00%	-
4	Guruprasad Hotels Private Limited	India	22.29%	22.29%	-	-	-	-
5	DSRK Holdings (Chennai) Private Limited	India	-	25%	-	-	-	-
6	Swire Properties – partnership firm	India	50%	50.00%	50.00%	50.00%	-	-
7	Mall Ventures	India	-	50.00%	50.00%	-	-	-

* The Company has a voting power of 25.80% and a beneficial interest of 10.87% in RGE Constructions & Developments Private Limited

Principles of consolidation

The consolidated financial statements have been prepared on the following basis:

- The financial statements of the Parent Company and the subsidiaries have been combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses after eliminating intra-group balances / transactions and resulting unrealised profits in full. Unrealised losses resulting from intra-group transactions have also been eliminated in full. The amounts shown in respect of reserves comprise the amount of the relevant reserves as per the balance sheet of the Parent Company and its share in the post-acquisition increase in the relevant reserves of the subsidiaries.
- The Group accounts for investments in associate companies by the equity method of accounting in accordance with AS-23 "Accounting for Investment in Associates in Consolidated Financial Statements", where it is able to exercise significant influence over the operating and financial policies of the investee. Inter company profits and losses have been proportionately eliminated until realised by the investor or investee.
- The proportionate share of Group's interest in Joint Ventures is combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses after eliminating intra-group transactions and resulting unrealised profits, to the extent it pertains to the Group.
- The excess / deficit of cost to the Parent Company of its investment in the subsidiaries, joint ventures and associates over its portion of equity at the respective dates on which investment in such entities were made is recognised in the financial statements as goodwill / capital reserve. The Parent Company's portion of equity in such entities is determined on the basis of the book values of assets and liabilities as per the financial statements of such entities as on the date of investment and if not available, the financial statements for the immediately preceding period adjusted for the effects of significant transactions, up to the date of investment.
- Minority interest in the net assets of consolidated subsidiaries consists of: (a) the amount of equity attributable to minorities at the date on which investment in a subsidiary is made; and (b) the minorities' share of movements in equity since the date the parent subsidiary relationship came into existence.
- The consolidated financial statements are presented, to the extent possible, in the same format as that adopted by the Parent Company for its separate financial statements.
- The consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances.

Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles ('GAAP') in India requires the Management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent liabilities on the date of the financial statements. The estimates and assumptions used in the accompanying financial statements are based upon the Management's evaluation of the relevant facts and circumstances as at the date of the financial statements. Actual results could differ from those estimates. Any revision to accounting estimates is recognised prospectively in current and future periods.

Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured.

i) Proceeds from sale of land and constructed properties

Revenue from sale of land is recognized on transfer of title in the property i.e. on execution of the sale deed. Revenue from sale of developed/constructed property is recognised upon transfer of all significant risks and rewards of ownership of such real estate / property, as per the terms of the contracts entered into with buyers, which generally coincides with the firming of the sales contracts / agreements.

ii) Revenue from construction contracts

Revenue from construction contracts are recognised on percentage completion method, when the stage of each project reaches a significant level which is estimated to be at least 10% of the total estimated construction cost of the project. Revenue is recognised in proportion that the contract costs incurred for work performed up to the reporting date bear to the estimated total contract costs. Land costs are not included for the purpose of computing the percentage of completion. The amount recognised is net of sales tax, service tax and other amounts collected from the customer in the capacity of an agent. Contract costs include the estimated cost of construction, development and other directly attributable costs of the projects under construction. In cases where the total project cost is estimated to exceed the total estimated revenue from a project, the loss is recognised immediately.

The estimates for saleable area and contract costs are reviewed by the management periodically and the cumulative effect of changes in these estimates are recognised in the period in which these changes may be reliably measured.

iii) Gain on sale of leased property

Gain on sale of leased property represents fixed assets in the form of land and buildings sold to third parties. These properties are leased to lessees prior to such sale. Such gain is recognised upon transfer of all significant risks and rewards of ownership of such real estate / property, as per the terms of the contracts entered into with buyers, which generally coincides with the firming of the sales contracts / agreements. The gain recognised is net of the carrying costs of such leased property on the date of recognition of the sale.

iv) Rental income

Rental income from fixed assets leased under operating lease is recognized in the income statement on a straight-line basis over the term of the lease. Lease incentives granted are recognized as an integral part of the total rental income. Initial direct costs such as brokerage expenses incurred specifically to earn revenues from an operating lease are recognized as an expense in the statement of profit and loss in the year in which they are incurred.

v) Business consultancy services

Revenue from business consultancy services are recognised in accordance with agreements entered as and when the services are rendered.

vi) Advertising, sponsorship, lesson and livery income

Income from advertisement and sponsorship fees collected are recognized over the period of service or over the period of the sponsored event.

Revenue from lesson and livery are recognized over the period of service.

vii) Interest income

Interest income is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable.

viii) Dividend income

Dividend income is recognized where the Group's right to receive the dividend is established.

Fixed assets and depreciation/ amortisation

Fixed assets are stated at cost less accumulated depreciation/ amortization and impairment loss, if any. Cost comprises purchase price and any attributable cost such as duties, freight, borrowing costs, erection and commissioning expenses incurred in bringing the asset to its working condition for its intended use.

Advance paid /expenditure incurred on acquisition/ construction of fixed assets which are not ready for their intended use at each balance sheet date are disclosed under capital work-in-progress.

Depreciation on fixed assets is provided on the basis of straight-line method as per the rates and in the manner prescribed in Schedule XIV to the Companies Act, 1956. The rates of depreciation prescribed in Schedule XIV to the Companies Act, 1956 are considered as the minimum rates. However, where the Management's estimate of the useful life of a fixed asset at the time of acquisition of the asset or of the remaining useful life on a subsequent review is shorter than that envisaged in the aforesaid Schedule, depreciation is provided at a higher rate based on the Management's estimate of the useful life/ remaining useful life.

Pursuant to this policy, Management's estimates of useful life of the following assets are as follows:

Class of assets	**Years**
Buildings	16–61
Plant and Machinery	5–21
Furniture and Fixtures	5–16
Electrical equipment	5–21
Computers	3
Office equipments	6–21
Vehicles	5–11

Leasehold improvements are depreciated over the lease term or the estimated useful life, whichever is shorter.

Assets individually costing less than Rs 5,000 are depreciated at 100%.

Depreciation on additions to fixed assets and deletions to fixed assets is provided on a pro rata basis for/ up to the period of use, respectively.

Inventories

Inventories are carried at the lower of cost and net realisable value. Cost includes all applicable costs incurred in bringing the properties to their present location and condition. The method of determination of cost for various categories of inventories is as follows:

Land, including transferable development rights, are valued at cost of acquisition. Cost includes acquisition cost and related development charges. Finished stocks of constructed properties are valued at their cost of construction / acquisition.

The net realisable value of work in progress is determined with reference to the selling prices of related constructed property. Raw materials and other supplies held for use in construction of property are not written below cost except in cases where material prices have declined and it is estimated that the cost of constructed property will exceed their net realisable value.

Advances paid towards purchase of land for future development is classified as land advance until a clear and marketable title is obtained, free from all encumbrances and on transfer of legal title to the Group. Such advances, depending on the stage of the land acquisition process, are measured with reference to the value of the underlying, at the lower of cost or net realisable value, having regard to the protracted underlying process.

Joint development with land owner

In case of joint development with the land owner on space sharing arrangement, land is initially recorded at the estimated cost of construction for the portion of the building to be transferred to the land owner on completion of construction. Changes in the estimate/ actual cost of construction from the estimated cost are adjusted in the cost of land in the year of such change/ occurrence.

In case of joint development with the land owner on revenue sharing arrangement, land is not recorded as an asset in the books of the Group. Upon sale/ lease out of the project, the Group records only its share as revenue since in respect of the share of the land owner in sale proceeds/ rent, the Group essentially is acting as collector on behalf of the land owner.

Investments

Investments that are readily realizable and intended to be held for not more than a year are classified as current investments. All other investments are classified as long term investments. Current investments are carried at lower of cost and fair value determined on an individual investment basis. Long term investments are carried at cost. However, provision for diminution in value, if any, is made to recognize a decline other than temporary in the value of the investments.

Borrowing cost

Borrowing costs directly attributable to acquisition or construction of those fixed assets and property under development, which necessarily take a substantial period of time to get ready for their intended use, are capitalised. Other borrowing costs are accounted as an expense when incurred and debited to profit and loss account.

Employee benefits

Defined benefit plans

The Group's gratuity plan is a defined benefit plan. The present value of gratuity obligation under such defined benefit plans is determined based on actuarial valuation carried out by an independent actuary using the Projected Unit Credit Method, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measure each unit separately to build up the final obligation. The obligation is measured at the present value of estimated future cash flows. The discount rates used for determining the present value of obligation under defined benefit plans, is based on the market yields on Government securities as at the balance sheet date, having maturity periods approximating to the terms of related obligations. Actuarial gains and losses are recognised immediately in the profit and loss account. Gains or losses on the curtailment or settlement of any defined benefit plan are recognised when the curtailment or settlement occurs.

The gratuity scheme is administered through a trust with the Life Insurance Corporation of India and the provision for the same is determined on the basis of actuarial valuation carried out as at the year end. Provision is made for the shortfall, if any, between the amounts required to be contributed to meet the accrued liability for gratuity as determined by actuarial valuation and the available corpus of the funds.

Other long term benefit

Cost of long term benefits by way of accumulating compensated absences arising during the tenure of service is calculated taking into account the pattern of availment of leave. The present value of obligations towards availment under such long term benefit is determined based on actuarial valuation carried out by an independent actuary using Projected Unit Credit Method as at the year end. The obligation is measured at the present value of estimated future cash flows. The discount rates used for determining the present value of obligation under defined benefit plans, is based on the market yields on Government securities as at the balance sheet date, having maturity periods approximating to the terms of related obligations. Actuarial gains and losses are recognised immediately in the profit and loss account. Gains or losses on the curtailment or settlement of any defined benefit plan are recognised when the curtailment or settlement occurs.

Defined contribution plan

Contributions to the recognized provident fund and approved superannuation schemes, which are defined contribution schemes, are charged to the profit and loss account.

Income tax

Income-tax expense comprises current tax, fringe benefits tax ('FBT') and deferred tax charge or credit.

Income-tax expense comprises current tax (i.e. amount of tax for the year determined in accordance with the income-tax law) and deferred tax charge or credit (reflecting the tax effects of timing differences between accounting income and taxable income for the year). Deferred tax assets are recognised only to the extent there is reasonable certainty that the assets can be realised in future; however, where there is unabsorbed depreciation or carried forward business loss under taxation laws, deferred tax assets are recognised only if there is a virtual certainty of realisation of such assets. Deferred tax assets/ liabilities are reviewed as at each balance sheet date and written down or written up to reflect the amount that is reasonably/ virtually certain (as the case may be) to be realised.

The Group offsets, the current tax assets and liabilities (on a year on year basis), where it has a legally enforceable right and where it intends to settle such assets and liabilities on a net basis.

The Group provides for and discloses the Fringe Benefit Tax ("FBT") in accordance with the provisions of Section 115 WC of the Income-tax Act, 1961. In view of the limited specific interpretations available, particularly from CBDT, provision for FBT has been recognised on the basis of a harmonious interpretation of the provisions of the Income-tax Act, 1961. FBT has been abolished with effect from 1 April 2009.

The tax expense in the consolidated financial statement is the aggregate of the amounts of tax expense appearing in the separate financial statements of the Parent, its subsidiaries and its proportionate share of joint venture entities.

Earnings/ (loss) per share

The basic earnings per share is computed by dividing the net profit attributable to equity shareholders for the period by the weighted average number of equity shares outstanding during the period.

Foreign currency transactions

Foreign exchange transactions are recorded at the rates of exchange prevailing on the dates of the respective transactions. Exchange differences arising on foreign exchange transactions settled during the year are recognised in the profit and loss account of the year.

Monetary assets and liabilities in foreign currency, which are outstanding as at the year-end and not covered by forward contracts, are translated at the year-end at the closing exchange rate and the resultant exchange differences are recognized in the profit and loss account. Non-monetary foreign currency items are carried at cost.

The consolidated foreign subsidiaries has been identified as integral operations in accordance with the requirements of AS –11(Revised 2003) "The Effect of Changes in Foreign Exchange rates" which is effective for the accounting periods commencing on or after 1 April 2004. In accordance with AS –11 (Revised 2003) "The Effect of Changes in Foreign Exchange rates", the financial statements of such integral foreign operations are translated into Indian rupees as follows:

- Monetary items are translated using the closing rate.
- Non-monetary items are translated using the historical rate.
- Revenue items are translated at the transaction rate or average rate.
- The resulting net exchange difference is credited or debited to the profit and loss account.

In respect of certain non integral foreign entities within the Group, the financial statements have been translated into Indian rupees as follows:

- All assets and liabilities have been translated using the closing rate
- Income and expense items have been translated at average rates for the period
- The resulting net exchange difference has been accumulated in the balance sheet under foreign currency translation reserve account.

Provisions and contingent liabilities

The Group recognizes a provision when there is a present obligation as a result of a past (or obligating) event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is a possible obligation or a present obligation that the likelihood of outflow of resources is remote, no provision or disclosure is made.

Provisions for onerous contracts, i.e. contracts where the expected unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it, are recognised when it is probable that an outflow of resources embodying economic benefits will be required to settle a present obligation as a result of an obligating event, based on a reliable estimate of such obligation.

Leases

Leases under which the Group assumes substantially all the risks and rewards of ownership are classified as finance leases. Such assets acquired are capitalised at fair value of the asset or present value of the minimum lease payments at the inception of the lease, whichever is lower.

For operating leases, lease payments (excluding cost for services, such as insurance and maintenance) are recognised as an expense in the statement of profit and loss on a straight line basis over the lease term. The lease term is the non- cancellable period for which the lessee has agreed to take on lease the asset together with any further periods for which the lessee has the option to continue the lease of the asset, with or without further payment, which option at the inception of the lease it is reasonably certain that the lessee will exercise.

Impairment of assets

The Group periodically assesses whether there is any indication that an asset or a group of assets comprising a cash generating unit may be impaired. If any such indication exists, the Group estimates the recoverable amount of the asset. For an asset or group of assets that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognised in the profit and loss account. If at the balance sheet date there is an indication that if a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of depreciable historical cost. An impairment loss is reversed only to the extent that the carrying amount of asset does not exceed the net book value that would have been determined if no impairment loss had been recognized.

Segment reporting

The Group's operating businesses are organized and managed separately according to the nature of business and services provided, with each segment representing a strategic business unit that offers different products and serves different markets. The analysis of geographical segments is based on the areas in which major operating divisions of the Group operate.

Common allocable costs are allocated to each segment according to the relative contribution of each segment to the total common costs. General corporate income and expense items are not allocated to any business segment.

Recognition and measurement of advances paid and received:

Advance paid for purchase of land:

These advances represent several intended purchases of parcels of land, which are in various stages of the acquisition process, which is typically long drawn and requires several regulatory compliances. The Company considers the purchase as complete only when all compliances are complete and the ownership right to the land is unfettered. Such advances, depending on the stage of the land acquisition process, are measured with reference to the value of the underlying, at the lower of cost or net realisable value, having regard to the protracted underlying process.

Advances paid towards jointly developable properties:

These advances represent monies paid to land owners and intermediaries, where the company proposes to jointly develop the property. Subsequent to a definitive agreement and on actual commencement of development activity, the Company acquires a right in the underlying land at which point, such advances are transferred to capital work in progress. Advances towards joint development rights are valued at cost. On transfer to capital work in progress, measurement is on the basis of cost, less impairment, if any, determined with reference to the discounted values of future anticipated cash flows.

Advance received for property acquisition services:

Advances received for property acquisition services represent monies advanced by certain group companies and others, where the Company has agreed to purchase parcels of land on behalf of these parties and sell the same to them at a later date. The price at which these lands will be sold will be determined at a later date, once the acquisition of land has been completed by the Company. Liquidated damages/penalties, if any, on delay in completion is provided in the year of default.

ANNEXURE – VI

DETAILS OF DIVIDEND

Rs in millions	As at 31 March					As at 28 February
PARTICULARS	**2005**	**2006**	**2007**	**2008**	**2009**	**2010**
Number of fully paid equity shares	2,559,000	2,559,000	2,559,000	2,559,000	2,559,000	2,559,000
Equity share capital	25.59	25.59	25.59	25.59	25.59	25.59
Face value (Rs.)	10	10	10	10	10	10
Rate of dividend %	-	-	-	-	-	-
Amount of dividend	-	-	-	-	-	-

Note:

The figures disclosed above are based on the restated consolidated financial information of Embassy Property Developments Limited.

ANNEXURE – VII

STATEMENT OF ACCOUNTING RATIOS - CONSOLIDATED

Rs in millions	As at and for the year ended 31 March					As at and for the period 1 April 2009 to 28 February
PARTICULARS	**2005**	**2006**	**2007**	**2008**	**2009**	**2010**
Net worth (A)	127.35	261.92	515.53	929.29	14,716.79	14,659.57
Restated Profit / (loss) after Tax and income from associates (B)	92.23	134.57	253.61	187.83	(53.10)	(33.49)
Weighted average number of equity shares outstanding during the year / period						
- For basic earnings per share (C)	2,559,000	2,559,000	2,559,000	2,559,000	2,559,000	2,559,000
- For diluted earnings per share (D)	2,559,000	2,559,000	2,559,000	2,559,000	2,559,000	2,559,000
Earnings Per Share Rs. 10 each						
- Basic Earnings per share (Rs.) (E - B/C)	36.04	52.59	99.10	73.40	(20.75)	(13.09)
- Diluted Earnings per share (Rs.) (F - B/D)	36.04	52.59	99.10	73.40	(20.75)	(13.09)
Return on Net Worth (%) (G = B/A)	72.42%	51.38%	49.19%	20.21%	-0.36%	-0.23%
Number of Shares outstanding at the end of the year / period (H)	2,559,000	2,559,000	2,559,000	2,559,000	2,559,000	2,559,000
Net Assets Value per share of Rs. 10 each (I = A/H)	49.77	102.35	201.46	363.15	5,750.99	5,728.63

Notes:

1 The above ratios are calculated as under:
a) Earnings per share = Net profit after tax, as restated / Weighted average number of shares outstanding for the year/ period.
b) Return of Net worth (%) = Net profit after tax, as restated / Net worth as restated as at year or period end
c) Net asset value (Rs.) = Net worth as restated / Number of equity shares as at year or period end

2 The figures disclosed above are based on the Restated Consolidated Summary Statements of Embassy Property Developments Limited.

3 Earning per shares (EPS) calculation is in accordance with Accounting Standard 20 "Earnings per share" prescribed by the Companies (Accounting Standards) Rules, 2006.

4 The EPS and return on net worth for the eleven months period ended 28 February 2010 are not annualised and hence not comparable with the other financial years presented.

5 Net worth as at 31 March 2009 and 28th February 2010, include general reserve aggregating Rs 12,932 million created pursuant to the merger of certain of its wholly owned subsidiaries with the Company and the consequent fair valuation of certain assets and liabilities of the transferor and transferee entities. Refer Annexure IV (G) for details of the scheme of merger and the consequent accounting treatment.

ANNEXURE – VIII

DETAILS OF CONSOLIDATED OTHER INCOME, AS RESTATED

Rs in millions	For the year ended 31 March					From 1 April 2009 to 28 February	
PARTICULARS	**2005**	**2006**	**2007**	**2008**	**2009**	**2010**	**Source of income**
Other income	12.47	15.69	37.57	134.34	352.38	118.71	
Profit before tax and share of profit / (loss) from associates	135.78	198.94	360.18	194.27	183.51	56.81	
Percentage	**9.19%**	**7.89%**	**10.43%**	**69.15%**	**192.02%**	**208.96%**	
Sources of other income							
Recurring							
Interest							
- from banks	0.07	3.17	7.90	7.24	215.99	60.45	Interest on bank deposits
- from others	-	-	-	95.67	93.73	5.96	Interest on loans given
Foreign exchange gain, net	-	-	-	7.68	9.67	0.99	Foreign exchange gain on translation of integral foreign operations
Dividend from mutual funds	1.00	0.90	0.72	3.73	-	-	Dividend income from mutual fund investments
Non-recurring							
Profit on sale of shares	-	-	-	10.62	-	-	
Miscellaneous income	11.40	11.62	28.95	9.40	32.99	51.31	
Total	**12.47**	**15.69**	**37.57**	**134.34**	**352.38**	**118.71**	

Note:

The figures disclosed above are based on the Restated Consolidated Summary Statements of Embassy Property Developments Limited.

ANNEXURE – IX

STATEMENT OF CONSOLIDATED SECURED LOANS, AS RESTATED

Rs in millions	As at 31 March					As at 28 February
PARTICULARS	**2005**	**2006**	**2007**	**2008**	**2009**	**2010**
Long terms loans						
- from banks and financial institutions	305.51	1,927.31	2,329.26	3,468.71	12,731.87	12,969.30
- vehicle loans	7.31	5.10	1.96	2.43	5.46	2.33
From others						
- inter corporate loans	-	-	-	35.00	510.00	490.00
	312.82	**1,932.41**	**2,331.22**	**3,506.14**	**13,247.33**	**13,461.63**
Short term loans						
- from banks	18.01	99.38	-	11.75	151.18	1,023.41
- bank overdraft	-	-	-	348.14	18.00	0.00
	18.01	**99.38**	**-**	**359.89**	**169.18**	**1,023.41**
Interest accrued and due	-	-	-	-	7.94	7.94
Total	**330.83**	**2,031.79**	**2,331.22**	**3,866.03**	**13,424.45**	**14,492.98**

Note:

The figures disclosed above are based on the Restated Consolidated Summary Statements of Embassy Property Developments Limited.

ANNEXURE – IX (CONTINUED)

STATEMENT OF CONSOLIDATED SECURED LOANS, AS RESTATED

Term loans (Rs in millions)

S. No.	Entity	Lender	Amount Sanctioned	Outstanding amount as at 28 February 2010	Loan Balance at group level	Rate of Interest	Repayment terms	Prepayment charges	Default charges	Security
1	Embassy Property Developments Limited (EPDL)	LIC Housing Finance Limited	500.00	500.00	500.00	15.25%	The loan shall be repaid by bullet repayment at the end of 9 months i.e. November 2010. However, LIC Housing Finance Limited shall reserve the first right to convert the loan into lease rental discounting at revised terms.	Prepayment charges will be levied @ 2% of the principal amount prepaid ahead of the schedule. However, prepayment charges will not be levied in respect of the principal amount be adjusted/ repaid out of the individual loans received from the same project/ out of surplus of the same project.	If interest and principal installments due are defaulted/ delayed, additional interest @ 6% p.a. compounding monthly will become payable.	Registered mortgage/ equitable mortgage (to the extent of the share of applicant company): 1. Project land and structure thereon at "Embassy Paragon. The value of security at any point of time not to be less than 1.75 times of loan amount. 2. Personal guarantee of Promoter Director, Mr. Jitendra Virwani. 3. Assignment of receivables from the project "Embassy Paragon" excluding owner's share.
2	Embassy Property Developments Limited	United Bank of India	300.00	127.74	127.74	14.25%	The term loan is repayable in 108 Equated Monthly Installments (EMI) of Rs 4,900 thousand	Prepayment charges will be levied @ 1% of the amount being prepaid for the residual	Penal interest shall be 0.50% per quarter per default.	Primary security: Equitable mortgage of Embassy Property Developments Limited share of land and building - 40% share in land bearing property no. 43and 43/1, Residency Road, Ward No.76, Bangalore, measuring 48,025 sft., and 40% of the total super

S. No.	Entity	Lender	Amount Sanctioned	Outstanding amount as at 28 February 2010	Loan Balance at group level	Rate of Interest	Repayment terms	Prepayment charges	Default charges	Security
							from June 2010 up to June 2021	period as per the proposed repayment schedule will be payable.		built up area measuring to 52,836 sft. Collateral security: 1. Assignment of lease rentals in the portion owned by EPDL 2. Personal guarantee of all the directors during the construction period - Mr. Jitendra Virwani, Mr. K.Y. Gopikrishnan and Mr. Narpat Singh Choraria. The guarantee shall remain valid during the construction period or creation of all securities as per sanction, whichever is later. 3. Personal Guarantee of S.N. Ladhani
3	Embassy Property Developments Limited	ICICI Bank	1,000.00	1,004.41	1,00441.	11.50%	All tranches to be repaid in 6 months of the date of the first draw down or March 15, 2010, whichever is earlier.	Prepayment charges will be levied @ 2% of the principal amount prepaid ahead of the schedule.	If interest and principal installments due are defaulted/ delayed, additional interest @ IBAR+2% p.a. shall be payable.	1. Exclusive charge by way of equitable mortgage on the converted land at Sy. No. 140, 143/1A, 144 and 142/1 Kodihalli Village, Varthur Hobli, Bangalore, East Taluk and measuring 345,165 sq.ft together with the structure thereon both present and future, being valued at Rs 1,518,700,000. 2. Personal guarantee of Mr. Jitendra Virwani, Chairman of Embassy Group 3. Demand promissory note to be provided by the borrower
4	Embassy Property Developments Limited	Rajesh Exports Limited	17.50	17.50	17.50	24.00%	Not less than 18 months from 17 March 2009.	None	Non payment of interest for a period of 3 months shall be construed as default in terms of ICD agreement and Rajesh Export Ltd shall be entitled to enforce the security in terms of the mortgage	Personal guarantee of Mr Jitendra Virwani and mortgage of the following assets: 1. Sy.No.72/2 measuring 2 acres and 20 guntas, bearing document No.3097/04-05 and Conversion Order No.ALN.SR(D).73/04-05 dtd 12.10.2004 situated at Heggenahalli Village, Kundana Hobli, Devanahalli Taluk, Bangalore Rural District owned by Nam Estates Private Ltd and mortgaged to Rajesh Exports Limited (REL)

S. No.	Entity	Lender	Amount Sanctioned	Outstanding amount as at 28 February 2010	Loan Balance at group level	Rate of Interest	Repayment terms	Prepayment charges	Default charges	Security
									deed executed by EPDL in favour of REL after providing 10 days notice to rectify the breach and such breach being not rectified during the notice period.	2. Sy.No.72/3 measuring 2 acres and 20 guntas, bearing document No.3097/04-05 and Conversion Order No.ALN.SR(D).73/04-05 dtd 12.10.2004 situated at Heggenahalli Village, Kundana Hobli, Devanahalli Taluk, Bangalore Rural District owned by Nam Estates Private Limited and mortgaged to REL
5	Embassy Property Developments Limited	Rajesh Exports Limited	52.50	52.50	52.5	24 %	Not less than 18 months from 17 March 2009.	None	Non payment of interest for a period of 3 months shall be construed as default in terms of ICD agreement and Rajesh Exports Ltd shall be entitled to enforce the security in terms of the mortgage deed executed by EPDL in favour of REL after providing 10 days notice to rectify the breach and such breach being not rectified during the notice period.	Mortgage of the following assets: 1. Sy.No.49/1E measuring 2 acres, bearing document No.783/04-05 and Conversion Order No.ALN.SR(D).28/04-05 dtd 22.06.2004 situated at Nagamangala Village, Kundana Hobli, Devanahalli Taluk, Bangalore Rural District owned by Nam Estates Private Limited and mortgaged to REL. 2. Sy.No.49/1B measuring 1 acre 36 guntas, bearing document No.490/03-04 and Conversion Order No.ALN.SR(D).17/03-04 dtd 3.03.2004 situated at Nagamangala Village, Kundana Hobli, Devanahalli Taluk, Bangalore Rural District owned by Nam Estates Private Limited and mortgaged to REL. 3. Sy.No.49/1C measuring 2 acres, bearing document No.778/04-05 and Conversion Order No.ALN.SR(D).17/03-04 dtd 3.03.2004 situated at Nagamangala Village, Kundana Hobli, Devanahalli Taluk, Bangalore Rural District owned by Nam Estates Private Limited and mortgaged to REL. 4. Sy.No.49/1A measuring 2 acres 37

S. No.	Entity	Lender	Amount Sanctioned	Outstanding amount as at 28 February 2010	Loan Balance at group level	Rate of Interest	Repayment terms	Prepayment charges	Default charges	Security
										guntas, bearing document No.3102/04-05 and Conversion Order No.ALN.SR(D).74/04-05 dtd 19.11.2004 situated at Nagamangala Village, Kundana Hobli, Devanahalli Taluk, Bangalore Rural District owned by Nam Estates Private Limited and mortgaged to REL. 5. Sy.No.54 measuring 2 acres, bearing document No.778/04-05 and Conversion Order No.ALN.SR(D).17/03-04 dtd 3.3.2004 situated at Nagamangala Village, Kundana Hobli, Devanahalli Taluk, Bangalore Rural District owned by Nam Estates Private Limited and mortgaged to REL. 6. Sy.No.48/8-P1 measuring 1 acre 15 guntas, bearing document No.786/04-05 and Conversion Order No.ALN.SR(D).29/04-05 dtd 22.06.2004 situated at Nagamangala Village, Kundana Hobli, Devanahalli Taluk, Bangalore Rural District owned by Nam Estates Private Limited and mortgaged to REL. 7. Sy.No.57/1 measuring 2 acres, bearing document No.782/04-05 and Conversion Order No.ALN.SR(D).31/03-04 dtd 25.03.2004 situated at Nagamangala Village, Kundana Hobli, Devanahalli Taluk, Bangalore Rural District owned by Nam Estates Private Limited and mortgaged to REL.
6	Embassy Property Developments Limited	Rajesh Exports Limited	50.00	50.00	50.00	24 %	Not less than 18 months from 17 March 2009.	None	Non payment of interest for a period of 3 months shall be construed as default in terms	Personal guarantee of Mr Jitendra Virwani and mortgage of the following assets: 1. Sy.No.67/287 measuring 7 acre and 14 Guntas, Conversion Order No.ALN.SR(NA).105/03-04 dtd

S. No.	Entity	Lender	Amount Sanctioned	Outstanding amount as at 28 February 2010	Loan Balance at group level	Rate of Interest	Repayment terms	Prepayment charges	Default charges	Security
									of ICD agreement and Rajesh Exports Ltd shall be entitled to enforce the security in terms of the mortgage deed executed by EPDL in favour of REL after providing 10 days notice to rectify the breach and such breach being not rectified during the notice period.	22.01.2004 situated at Navarathna Agrahara Village, Jala Hobli, Bangalore North Taluk owned by Nam Estates Private Limited and mortgaged to REL. 2. Sy.No.67/287 measuring 5 acres and 30 guntas, Conversion Order No.ALN.SR(NA).104/03-04 dtd 22.01.2004 situated at Navarathna Agrahara Village, Jala Hobli, Bangalore North Taluk owned by Nam Estates Private Limited and mortgaged to REL. 3. Sy.No.3/221 measuring 7 acres and 5 guntas, Conversion Order No.ALN.SR(NA).27/05-06 dtd 6.10.2005 situated at Navarathna Agrahara Village, Jala Hobli, Bangalore North Taluk owned by Nam Estates Private Limited and mortgaged to REL.
7	Embassy Property Developments Limited	Rajesh Exports Limited	50.00	50.00	50.00	24.00%	Not less than 18 months from 26 February 2009	None	Non payment of interest for a period of 3 months shall be construed as default in terms of ICD agreement and Rajesh Exports Ltd shall be entitled to enforce the security in terms of the mortgage deed executed by EPDL in favour of REL after providing 10 days notice to rectify the	Personal guarantee of Mr Jitendra Virwani and Mortgage of the following assets: 1. Sy.No.3/209 measuring 30 guntas, Conversion Order No.ALN.SR(NA).27/05-06 situated at Navarathna Agrahara Village, Jala Hobli, Bangalore North Taluk, Bangalore District owned by Nam Estates Private Limited and mortgaged to REL. 2. Sy.No.3/213 measuring 2 acres, Conversion Order No.ALN.SR(NA).27/05-06 situated at Navarathna Agrahara Village, Jala Hobli, Bangalore North Taluk, Bangalore District owned by Nam Estates Private Limited and mortgaged to REL. 3. Sy.No.3/215 measuring 1 acre, Conversion Order

S. No.	Entity	Lender	Amount Sanctioned	Outstanding amount as at 28 February 2010	Loan Balance at group level	Rate of Interest	Repayment terms	Prepayment charges	Default charges	Security
									breach and such breach being not rectified during the notice period.	No.ALN.SR(NA).27/05-06 situated at Navarathna Agrahara Village, Jala Hobli, Bangalore North Taluk, Bangalore District owned by Nam Estates Private Limited and mortgaged to REL. 4. Sy.No.3/219 measuring 1 acres, 3 guntas, Conversion Order No.ALN.SR(NA).27/05-06 situated at Navarathna Agrahara Village, Jala Hobli, Bangalore North Taluk, Bangalore District owned by Nam Estates Private Limited and mortgaged to REL. 5. Sy.No.3/223 measuring 2 acres 7 guntas, Conversion Order No.ALN.SR(NA).27/05-06 situated at Navarathna Agrahara Village, Jala Hobli, Bangalore North Taluk, Bangalore District owned by Nam Estates Private Limited and mortgaged to REL. 6. Sy.No.3/226 measuring 35 guntas, Conversion Order No.ALN.SR(NA).27/05-06 situated at Navarathna Agrahara Village, Jala Hobli, Bangalore North Taluk, Bangalore District owned by Nam Estates Private Limited and mortgaged to REL. 7. Sy.No.3/227 measuring 35 guntas, Conversion Order No.ALN.SR(NA).27/05-06 situated at Navarathna Agrahara Village, Jala Hobli, Bangalore North Taluk, Bangalore District owned by Nam Estates Private Limited and mortgaged to REL. 8. Sy.No.3/232 measuring 1 acre, Conversion Order No.ALN.SR(NA).27/05-06 situated at Navarathna Agrahara Village, Jala Hobli, Bangalore North Taluk, Bangalore District owned by Nam Estates Private

S. No.	Entity	Lender	Amount Sanctioned	Outstanding amount as at 28 February 2010	Loan Balance at group level	Rate of Interest	Repayment terms	Prepayment charges	Default charges	Security
										Limited and mortgaged to REL.
										9. Sy.No.3/233 measuring 21 guntas, Conversion Order No.ALN.SR(NA).27/05-06 situated at Navarathna Agrahara Village, Jala Hobli, Bangalore North Taluk, Bangalore District owned by Nam Estates Private Limited and mortgaged to REL. 10. Sy.No.3/234 measuring 21 guntas, Conversion Order No.ALN.SR(NA).27/05-06 situated at Navarathna Agrahara Village, Jala Hobli, Bangalore North Taluk, Bangalore District owned by Nam Estates Private Limited and mortgaged to REL. 11. Sy.No.3/240 measuring 1 acre, Conversion Order No.ALN.SR(NA).27/05-06 situated at Navarathna Agrahara Village, Jala Hobli, Bangalore North Taluk, Bangalore District owned by Nam Estates Private Limited and mortgaged to REL. 12 Sy.No.3/220 measuring 1 acre 3 guntas, Conversion Order No.ALN.SR(NA).27/05-06 situated at Navarathna Agrahara Village, Jala Hobli, Bangalore North Taluk, Bangalore District owned by Nam Estates Private Limited and mortgaged to REL. 13. Sy.No.3/237 measuring 30 guntas, Conversion Order No.ALN.SR(NA).27/05-06 situated at Navarathna Agrahara Village, Jala Hobli, Bangalore North Taluk, Bangalore District owned by Nam Estates Private Limited and mortgaged to REL. 14. Sy.No.3/218 measuring 1 acre 3 guntas, Conversion Order No.ALN.SR(NA).27/05-06 situated at

S. No.	Entity	Lender	Amount Sanctioned	Outstanding amount as at 28 February 2010	Loan Balance at group level	Rate of Interest	Repayment terms	Prepayment charges	Default charges	Security
										Navarathna Agrahara Village, Jala Hobli, Bangalore North Taluk, Bangalore District owned by Nam Estates Private Limited and mortgaged to REL.
8	Embassy Property Developments Limited	Rajesh Exports Limited	120.00	120.00	120.00	24.00%	Not less than 18 months from 30 January 2009	None	Non-payment of interest for a period of 3 months shall be construed as default in terms of ICD agreement and Rajesh Exports Ltd shall be entitled to enforce the security in terms of the mortgage deed executed by EPDL in favour of REL after providing 10 days notice to rectify the breach and such breach being not rectified during the notice period.	Personal guarantee of Mr Jitendra Virwani and mortgage of the following assets: Sy.No.51/P45, 50/P11, 51/P18, 51/P4, 51/P13, 51/P15, 51/P43, 51/P23, 50/P2, 50/P4, 50/P5, 50/P10, 51/P14, 51/P7, 51/P10, 51/P21, 51/P22, 51/P5, 50/P1, 51/P2, 51/P32, 51/P24, 51/P11, 51/P12, 51/P17, 50/P09, 50/P12, 50/P13, 51/P1, 51/P6, 51/P33, 50/P8, 51/P3, 51/P31, 51/P44, 50/P3, 51/P14, 51/P16, 51/P20 & 51/P9 measuring 35 acres 9 guntas situated at Nagamangala, Bangalore registered in favour of M/s Swire Investments Private Limited
9	Embassy Property Developments Limited	Rajesh Exports Limited	200.00	200.00	200.00	24.00%	Not less than 18 months from 30 January 2009	None	Non-payment of interest for a period of 3 months shall be construed as default in terms of ICD agreement and Rajesh Exports Ltd shall be	Personal guarantee of Mr. Jitendra Virwani and mortgage of the following assets:Sy.No.49/2, 52/1, 52/2, 52/3 measuring 18 acres, 11 guntas situated at Nagamangala, Bangalore registered in favor of M/sNam Estates Pvt Ltd & Sy.No.56, 46, 42, 43, 44/1, 44/2, 44/3, 45/1, 45/2, 58, measuring 38 acres situated

S. No.	Entity	Lender	Amount Sanctioned	Outstanding amount as at 28 February 2010	Loan Balance at group level	Rate of Interest	Repayment terms	Prepayment charges	Default charges	Security
									entitled to enforce the security in terms of the mortgage deed executed by EPDL in favour of REL after providing 10 days notice to rectify the breach and such breach being not rectified during the notice period.	at Heggenahalli, Bangalore registered in favour of Nam Estates Private Limited
10	Embassy Property Developments Limited	Federal Bank	18.00	19.00	19.00	7.75% - 11.25%	Not less than 18 months from 7 February 2009.	None	None	Charge created against fixed deposit held by Umbel Properties Private Limited and GV Properties Private Limited.
11	Embassy Property Developments Limited	Citibank N. A.	1.80	0.65	0.65	11.51%	Repayable in 36 monthly installments of Rs.59,364 each commencing January 2008	None	The bank is entitled to take repossession of the hypothecated vehicle	1. Exclusive charge on the vehicles
12	Golf Links Software Parks Private Limited	HDFC Limited	6,579.80	6,084.08	2,981.20	12.50%	Loan will be repaid in 108 monthly installments comprising of principal and interest payments commencing from subsequent month from the date of first disbursement.	At the applicable rate on the outstanding principle loan amount as per the existing policy of HDFC or as per the rules of HDFC in that behalf.	Rate mentioned in agreement : 18%	1. Mortagage of Property financed both land and buildings located at Sy no.13/2,15, 8/1, 8/3, 6,14, 7/1, 7/2, 7/3,7/4, 8/4, 10/3, 2/4, 4, 5/2, 2/1, 2/2, 2/3 of Embassy Golflinks Business Park campus, Challaghatta Village, Varthur Hobli, Bangalore. 2. Extension of mortgage of vacant land located at Sy no. 540, 51 and site no. 697 at Pattandur Agraha Village. 3. Personal guarantee of Mr. Jitendra Virwani. 4. And or any other security of similar/ higher value acceptable to HDFC.

S. No.	Entity	Lender	Amount Sanctioned	Outstanding amount as at 28 February 2010	Loan Balance at group level	Rate of Interest	Repayment terms	Prepayment charges	Default charges	Security
										5. Undertaking to pay to HDFC the outstanding loan amount in case of breach/ cancellation of lease agreement. 6. Hypothection and assignment of rent receivables from all the lessees tied up for these facilities, for direct payment of lease rentals to HDFC. 7. Irrevocble letter to be obtained from all the lessees tied up for these facilities, remitting the monthly lease rentals directly to HDFC. 8. Undertaking to pay to HDFC any shortfall in payment of monthly installment either due to increase in TDS rates, due to rent free period clause in lease agreement change in rates of interest, lessee vacating the premises etc, or any other reason whatsoever.
13	Golf Links Software Parks Private Limited	UCO Bank	1,565.00	1,255.15	615.02	12.25%	87 months ending on July 2016	At 2% on the amount prepaid	At the rate of 2% p.a over and above the applicable ROI or at such rate to be decided by the bank from time to time	1. Exclusive first charge by way of assignment of lease rental receivables of the tenants/lessees already confirmed from the lease of the two commercial buildings namely Pine Valley and Blue Bay at Golflinks Business Park, Intermediate Ring Road, Bangalore 2. Exclusive first charge by way of equitable mortgage of all that piece and parcel of land and two buildings thereon namely Blue Bay and Pine Valley covering a chargeable area of 35,500 sq.ft an 455,000 sq.ft respectively at the project known as "Golflinks Business Park" bearing survey No. 2/1, 2/2, 2/3, 5/1, 4, 2/4, Challaghatta Village, Varthur Hobli, Bangalore 3. Personal guarantee of Jitendra Virwani
14	Golf Links Software Parks Private	ING Vysya bank	7.20	8.37	4.10	11.00%	Repayable on maturity of the fixed deposit on	None	None	Charge created against fixed deposit held by Golf Links Software Parks Private Limited.

S. No.	Entity	Lender	Amount Sanctioned	Outstanding amount as at 28 February 2010	Loan Balance at group level	Rate of Interest	Repayment terms	Prepayment charges	Default charges	Security
	Limited						31 July 2010, unless the deposit terms are renewed			
15	Golf Links Software Parks Private Limited	Andhra Bank	800.00	804.84	394.37	13.00%	Loan shall be repayable in 120 monthly installments beginning from 15 February 2010.	At 2% flat on prepaid amount as on the date of closure	Any sum which the borrower fails to pay when due may, at the discretion of the bank.	Primary Security: Assignment of lease rentals Collateral Security: 1. Pari passu first charge on the property named Embassy Golflinks Business Park at Intermediate Ring Road Bangalore, with charge over the land area of 55 acres less undivided share charged to UCO Bank and built up space of 2,274,276 sq.ft 2. Personal Guarantee of Promoter Director Mr. Jitendra Virwani.
16	Manyata Promoters Private Limited	HDFC Limited	3,957.40	3,917.22	1,327.35	12.50%	Loan shall be repayable in 108 monthly installments beginning from the date of first disbursement.	At the applicable rate on the outstanding principle loan amount as per the existing policy of HDFC or as per the rules of HDFC in that behalf.	Rate mentioned in agreement : 18%	1. Extension of Mortgage of Property financed both land and building named Block C1, C4, D4, E1, E2, F2 and L5 along with MLCP's linked to the applicable blocks and located at "Manyata Embassy Business Park" campus, Rachanahalli Village , K.R. Puram, Hobli & Nagawara Village, Kasaba Hobli, Bangalore, North Taluk, Bangalore 2. Personal guarantee of Mr. Reddy Veeranna and Mr. Jitendra Virwani 3. Hypothecation and assignment of rent receivables from all the lessees tied up for these facilities for direct payment of lease rentals to HDFC 4. Undertaking to pay to HDFC the outstanding loan amount in case of breach/cancellation of lease agreement 5. Irrevocable letter to be obtained from all the lessees tied up for these facilities, remitting the monthly lease rentals directly to HDFC

S. No.	Entity	Lender	Amount Sanctioned	Outstanding amount as at 28 February 2010	Loan Balance at group level	Rate of Interest	Repayment terms	Prepayment charges	Default charges	Security
										6. Undertaking to pay to HDFC any shortfall in payment of monthly installment either due to increase in TDS rates, due to rent free period clause in lease agreement change in rates of interest, lessee vacating the premises etc, or any other reason whatsoever 7. Deposit of rent receipts in designated escrow account with HDFC Bank Limited.
17	Manyata Promoters Private Limited	HDFC Limited	3,411.60	3,359.23	1,138.28	13.50%	Loan shall be repayable in 120 monthly installments beginning from the date of first disbursement.	At the applicable rate on the outstanding principle loan amount as per the existing policy of HDFC or as per the rules of HDFC in that behalf.	Rate mentioned in agreement : 18%	1. Extension of Mortgage of Property financed both land and building named Block C1, C4, D4, E1, E2, F2 and L5 along with MLCP's linked to the applicable blocks and located at "Manyata Embassy Business Park" campus, Rachanahalli Village , K.R. Puram, Hobli & Nagawara Village, Kasaba Hobli, Bangalore, North Taluk, Bangalore 2. Personal guarantee of Mr. Reddy Veeranna and Mr. Jitendra Virwani 3. Hypothecation and assignment of rent receivables from all the lessees tied up for these facilities for direct payment of lease rentals to HDFC 4. Undertaking to pay to HDFC the outstanding loan amount in case of breach/cancellation of lease agreement 5. Irrevocable letter to be obtained from all the lessees tied up for these facilities, remitting the monthly lease rentals directly to HDFC 6. Undertaking to pay to HDFC any shortfall in payment of monthly installment either due to increase in TDS rates, due to rent free period clause in lease agreement change in rates of interest, lessee vacating the premises etc,

S. No.	Entity	Lender	Amount Sanctioned	Outstanding amount as at 28 February 2010	Loan Balance at group level	Rate of Interest	Repayment terms	Prepayment charges	Default charges	Security
										or any other reason whatsoever 7. Deposit of rent receipts in designated escrow account with HDFC Bank Limited
18	Manyata Promoters Private Limited	HDFC Limited	1,131.00	591.90	200.57	13.50%	Loan shall be repayable in 120 monthly installments beginning from the date of first disbursement.	At the applicable rate on the outstanding principle loan amount as per the existing policy of HDFC or as per the rules of HDFC in that behalf.	Rate mentioned in agreement : 18%	1. Extension of Mortgage of Property financed both land and building named Block C1, C4, D4, E1, E2, F2 and L5 along with MLCP's linked to the applicable blocks and located at "Manyata Embassy Business Park" campus, Rachanahalli Village , K.R. Puram, Hobli & Nagawara Village, Kasaba Hobli, North Taluk, Bangalore 2. Personal guarantee of Mr. Reddy Veeranna and Mr. Jitendra Virwani 3. Hypothecation and assignment of rent receivables from all the lessees tied up for these facilities for direct payment of lease rentals to HDFC 4. Undertaking to pay to HDFC the outstanding loan amount in case of breach/cancellation of lease agreement 5. Irrevocable letter to be obtained from all the lessees tied up for these facilities, remitting the monthly lease rentals directly to HDFC 6. Undertaking to pay to HDFC any shortfall in payment of monthly installment either due to increase in TDS rates, due to rent free period clause in lease agreement change in rates of interest, lessee vacating the premises etc, or any other reason whatsoever 7. Deposit of rent receipts in designated escrow account with HDFC Bank Limited
19	Manyata Promoters Private	Indian Overseas Bank	2,000.00	1,952.39	661.57	11.50%	Loan shall be repayable in 108 monthly	At 1% p.a of prepaid amount	At Prime Lending Rate (PLR)+2% p.a	Prime Security: Assignment of rent receivables from the two blocks as per the details given below:

S. No.	Entity	Lender	Amount Sanctioned	Outstanding amount as at 28 February 2010	Loan Balance at group level	Rate of Interest	Repayment terms	Prepayment charges	Default charges	Security
	Limited						installments beginning month next to the month of disbursement.		on amount due	Rosewood (K) leased area 218,215 sq.ft to IBM India Private Limited having monthly rental of Rs.98.38 lacs with escalation clause of 15% every 5 years. Eucalyptus (H1) leased area 376,758 sq.ft to ANZ Support Services India Private Ltd. having monthly rental of Rs.196.96 lacs with escalation clause of 10% every 3 years. Exclusive first charge on the land and building along with amenities and registration thereof with the appropriate authority of the following two properties: 1. Eucalyptus H1 Block at Manyata Embassy Business Park situated at Nagawara Village, Kasba Hobli, Bangalore occupied by ANZ Operations & Technology Private Ltd: a. Land area of about 3.57 acres b. Building area of 376,758 sq.ft 2. Rosewood K block at Manyata Embassy Business Park situated at Nagawara Village, Kasba Hobli, Bangalore occupied by IBM India Private Ltd a. Land area of about 2.70 acres ; b. Building area of 2,18,215 sq.ft Collateral Security: Nil Guarantors: Mr. Reddy Veeranna & Mr. Jitendra Virwani
20	Manyata Promoters Private Limited	IDBI Bank	1,150.00	1,143.52	387.48	11.75%	Loan shall be repayable in 96 monthly installments including 4 months of moratorium period	1% p.a of the loan outstanding being prepaid	At Prime Lending Rate (PLR)+3.5% p.a on amount due	Assignment/ hypothecation of rent receivables from the following tenants: M/s Target Corporation India Private Limited & M/s Cerner Healthcare Solution Private Limited Collateral Security: 1. Exclusive charge by way of equitable mortgage of the properties of Block C2 situated at Manyata Embassy Business

S. No.	Entity	Lender	Amount Sanctioned	Outstanding amount as at 28 February 2010	Loan Balance at group level	Rate of Interest	Repayment terms	Prepayment charges	Default charges	Security
										Park in Nagawara Village, Kasba Hobli, Bangalore, occupied by Target Corporation India Private Ltd. and Cerner Healthcare Solution Private Ltd. with total land area of 3.68 acres approx with 5 lakh sq.ft built up area. 2. Guarantee of Reddy Veeranna and Jitendra Virwani
21	Manyata Promoters Private Limited	IDBI Bank	160.00	160.00	54.22	12.75%	18 months with a moratorium of 12 months from the date of first disbursement. 6 monthly installment after the moratorium of 2 months	1% p.a of the loan outstanding being prepaid	At Prime Lending Rate (PLR)+3.5% p.a on amount due	Assignment/hypothecation of future rent receivables from the Hard option of area 63,343 sq.ft Collateral: 1. Extension of Assignment/ hypothecation of rent receivables from the following tenants: M/s Target Corporation India Private Limited & M/s Cerner Healthcare Solution Private Limited 2. Extension of Exclusive charge by way of Equitable Mortgage of the properties of Block C2 situated at Manyata Embassy Business Park in Nagawara Village, Kasaba Hobli, Bangalore occupied by M/s Target Corporation India Private Limited & M/s Cerner Healthcare Solution Private Limited with approx 5 lakh sq.ft and site area of 2.35 acres approx. (The total land area of Block C2 is 3.68 acres including building area, roadways and landscape etc.) 3. Personal Guarantee of Jitendra Virwani and Reddy Verranna
22	Manyata Promoters Private Limited	Barclays	1,100.00	805.57	272.97	13.25%	76 months of Rs.9,090,527 per month starting from June 2010	The borrower shall be allowed to prepay the amounts due under the term Loan,	Interest shall accrue from day to day (as well after as before judgement) and be calculated on the basis of the	1. First ranking mortgage of undivided share of land and building thereon in Block G1 of Parcel G in Manyata Embassy Business Park: having 403,526 sq.ft of super built up area spread over ground floor plus 8 upper floors located at Nagawara Village, Outer Ring Road,

S. No.	Entity	Lender	Amount Sanctioned	Outstanding amount as at 28 February 2010	Loan Balance at group level	Rate of Interest	Repayment terms	Prepayment charges	Default charges	Security
								whether in part of full, at the sole discretion of the bank. Provided that however that such prepayment may be allowed by the bank upon such terms & conditions including the payment of prepayment charges as may be stipulated by the bank.	actual number of days lapsed and a 365 day year. Any sum (whether in respect of interest, fees, costs or otherwise) which the borrower fails to pay when due may, at the discretion of the bank, be treated as if it were part of the amounts due for the purposes of this clause 5 and the bank shall be entitled to increase the rate of interest payable on any such sum by 1% per annum from the date on which the relevant sum became payable.	North Bangalore. 2. First ranking mortgage of undivided share of land of about 5 acres in the G parcel in Manyata Embassy Business Park, located at Nagawara Village, Outer Ring Road, North Bangalore. 3. Assignment of lease rentals receivables from IBM India Private Ltd. pertaining to Block G1 of Parcel G in Manyata Embassy Business Park. 4. First charge over the entire lease rental receivables from IBM India Private Ltd. pertaining to Block G1 of Parcel G in Manyata Embassy Business Park. 5. Personnel guarantee of Reddy Veeranna and Jitendra Virwani 6. Fixed deposit equal to the amount of 1st month's interest dues shall be placed with the Bank. This fixed deposit together with the interest payable thereon shall be lien marked in favour of the Bank. The Borrowers shall be entitled to encash the fixed deposit only after repayment of entire dues under the Term Loan, to the satisfaction of the Bank.
23	Manyata Promoters Private Limited	ING Vysya bank	271.50	218.14	73.92	12.25%	Repayable in 96 monthly installments by way of EMI's.	2% of the outstanding principal at the time of repayment	For the purpose of recovering any sum they may become due to the Bank on terms of the deed, the Bank may enforce this	Equitable mortgage of building property named "Philips Campus" situated in Manyata IT Park, on Hebbal - KR Puram Ring Road, Nagawara, Bangalore at survey nos 114/2, 114/3, 114/4, 114/5, 115/1, 115/2, 115/3, 116/3, 116/4, 116/5, 116/6, 117/1, 121/1, 121/2, 122, 123/1A, 1B, 123/2, total area measuring 12 acres

S. No.	Entity	Lender	Amount Sanctioned	Outstanding amount as at 28 February 2010	Loan Balance at group level	Rate of Interest	Repayment terms	Prepayment charges	Default charges	Security
									Mortgage against the Schedule property and exercise all or any of the remedies of holders of simple mortgage.	and 20 guntas in the name of Manyata Promoters Private Limited. Of the above, the extent of property to be mortgaged to the Bank is clearly specified as building area of 218,000 sq.ft out of total building area of 5 lakh sq.ft existing and undivided share of land area of 31.14% (3.89 acres)
24	Manyata Promoters Private Limited	ICICI Bank Limited - Vehicle loan	12.00	2.63	0.89	10.58%	36 monthly installments of Rs 387,120	None	The bank is entitled to take repossession of the hypothecated vehicle	1. Exclusive charge on the vehicles
25	DSRK Holdings Private Ltd	Housing Development Finance Corporation Limited	2,800.00	2,570.13	1,285.07	12.50%	Repayable in 108 monthly installments commencing from the date of commencement of monthly rentals	Prepayment charge will be computed at a rate to be decided by HDFC which will be applicable at the time of prepayment on the amount of loan prepaid for the balance period of the loan.	Delayed payment of interest will attract 15% compounded interest on the interest amount outstanding. In case of default of repayment of loan, liquidated damages @ 15% on the amount of loan remaining unpaid and lastly the security shall become enforceable.	Extension of mortgage of the property and built up area of 1,030,538 sq.ft thereon being constructed at Rachenahalli, KR Puram Hobli, leased to Fidelity Business Investments Services Private Limited, IBM Global India Private Limited and IBM Daksh Business Process Services Private Limited.
26	Pune Embassy Projects Private Ltd	State Bank Of India	679.30	632.61	316.30	13.25%	103 EMI's of Rs.11,294,690 commencing	Not Applicable	2% penal interest will be levied on the	Assignment of rent receivable secured through irrevocable letter of authority registered with lessees for payment of

S. No.	Entity	Lender	Amount Sanctioned	Outstanding amount as at 28 February 2010	Loan Balance at group level	Rate of Interest	Repayment terms	Prepayment charges	Default charges	Security
							December 2008		total outstanding in case of default in payment of interest or installment to bank	rent to Bank at monthly intervals. Collateral Security: 1. Extension of charge on 1,297,309 sft., SEZ loan out of total SEZ area of 21,78,000 sft. (After reducing respective areas under Block I, Block II, Block III and Block V) on pari passu basis . 2. Extension of charge on land & building in Block V 3. Extension of charge on land and building situated in Block II 4. Extension of charge on land and building in Block III 5. Charge on land standing in the name of Pune Dynasty Developers Private Limited , measuring 667,315 sft.,(land on the STPI area excluding construction on Block-II and training centre aggregating 134,929 sft), valued at Rs 53.38 crores 6. Corporate Guarantee of Pune Dynasty Projects Pvt Ltd (PDPPL), Embassy Property Developments Limited (EPDL) and Personal guarantee of Jitendra Virwani 7. The loan to be secured by the leasehold rights of undivided portion of land and building in the name of Pune Embassy Projects Pvt Ltd (PEPPL) : Block I, situated at plot no. PL-3, Rajiv Gandhi Infotech Park, Hinjewadi Phase- II, Pune Total land area of Block I is 199,206 sft. Built up area of Block I is 263,423 sft.
27	Pune Embassy Projects Private Ltd	State Bank Of India	500.00	454.57	227.28	13.25%	84 EMI's; First 60 EMI's of Rs.9,391,732 commencing the month following disbursement	Not applicable	2% penal interest will be levied on the total outstanding in case of default in payment of	Assignment of rent receivables secured through irrevocable letter of authority registered with lessees for payment of rent to Bank at monthly intervals. Collateral Security: 1. Extension of charge on 1,297,309 sft., SEZ loan out of total SEZ area of

S. No.	Entity	Lender	Amount Sanctioned	Outstanding amount as at 28 February 2010	Loan Balance at group level	Rate of Interest	Repayment terms	Prepayment charges	Default charges	Security
							and subsequent 24 EMI's of Rs.8,247,669. To be repaid immediately out of the term loan proceeds against rental discounting		interest or installment to bank	2,178,000 sft., on pari passu basis (After reducing respective areas under Block I, Block II, Block III and Block V) on pari passu basis . 2. Extension of charge on land & building in Block V 3. Extension of charge on land and building situated in Block I 4.Extension of Charge on land and building in Block III 5. Charge on land standing in the name of Pune Dynasty Developers Private Limited, measuring 667,315 sft., (land on the STPI area excluding construction on Block-II and training centre aggregating 134,929 sft), valued at Rs 53.38 Crores. 6. Corporate guarantee of PDPPL & EPDL & Personal guarantee of Jitendra Virwani. 7. Equitable mortgage of leasehold rights of undivided portion of land and building constructed as Block II and situated at plot no. PL-3, Rajiv Gandhi Infotech Park, Hinjewadi Phase- II, Pune : Total land area of Block I is 199,206 sft. Built up area of Block I is 263,423 sft in Block II. 8. Extension of EM charge of 95 years leasehold rights on 1,394,453 sft of undivided portion of land situated at plot no. PL-3, Rajiv Gandhi Infotech Park, Hindjewadi Phase- II, Pune out of 2,178,000 sft.
28	Pune Embassy Projects Private Ltd	State Bank Of India	775.00	741.19	370.60	13.25%	To be fully repaid in September 2010	Not Applicable	2% penal interest will be levied on the total outstanding in case of	Equitable mortgage of 95 years lease hold rights of undivided land in Block-5, measuring 385,135 sft., out of 2,178,000 sft., (50.00 crs) (i.e. in the SEZ area and building to be constructed thereon at a

S. No.	Entity	Lender	Amount Sanctioned	Outstanding amount as at 28 February 2010	Loan Balance at group level	Rate of Interest	Repayment terms	Prepayment charges	Default charges	Security
									default in payment of interest or installment to bank	cost of Rs.211.82 crores, situated at Plot No. PL-3 Rajiv Gandhi Info Tech Park, Hinjewadi Phase-II, Pune, on pari passu basis with Punjab National Bank Collateral Security: 1. Extension of charge on 1,297,309 sft., SEZ area out of total SEZ area of 2,178,000 sft., on pari passu basis. (After reducing respective areas under Block I, Block II, Block III and Block V) on pari passu basis . 2. Extension of charge on land and building situated in Block I 3. Extension of charge on land and building situated in Block II 4.Extension of charge on land and building in Block III 5. Charge on land standing in the name of Pune Dynasty Projects Private Limited, measuring 667,315 sft. (land on the STPI area excluding construction on Block-II and training centre aggregating 134,929 sft), on pari-passu basis 6. Corporate guarantee of PDPPL & EPDL & personal guarantee of Jitendra Virwani 7. Equitable mortgage of leasehold rights of undivided portion of land and building constructed as Block II and situated at plot no. PL-3, Rajiv Gandhi Infotech Park, Hindjewadi Phase- II, Pune : Total land area of Block I is 199,206 sft. Built up area of Block I is 263,423 sft. in Block II. 8. Extension of Equitable mortgage charge of 95 years leasehold rights on 1,394,453 sft of undivided portion of land situated at plot No. PL-3, Rajiv Gandhi Infotech Park, Hindjewadi Phase- II,

S. No.	Entity	Lender	Amount Sanctioned	Outstanding amount as at 28 February 2010	Loan Balance at group level	Rate of Interest	Repayment terms	Prepayment charges	Default charges	Security
										Pune out of 2,178,000 sft.
29	Pune Embassy Projects Private Ltd	State Bank Of India	1,250.00	773.22	386.61	13.50%	Within 15 months from the date of first disbursement	Not Applicable	2% penal interest will be levied on the total outstanding in case of default in payment of interest or installment to bank	Equitable mortgage of 95 years lease hold rights of undivided land in Block-3, measuring 97,144 sft., out of 2,178,000 sft., (i.e. in the SEZ area) and building to be constructed thereon at a cost of Rs.193.96 crores, situated at Plot No. PI-3 Rajiv Gandhi Info Tech Park, Hinjewadi Phase-II, Pune Collateral Security: 1. Charge on land standing in the name of Pune Dynasty Projects Private Limited, measuring 667,315 sqft., (land on the STPI area excluding construction on Block-II and training centre aggregating 134,929 sft) on pari-passu basis 2. Extension of charge on 1,297,309 sqft., SEZ area out of total SEZ area of 2,178,000 sft., on pari passu basis. (After reducing respective areas under Block I, Block II, Block III and Block V) on pari passu basis . 3. Extension of charge on land & building in Block V 4. Extension of charge on land and building situated in Block I 5. Extension of charge on land and building situated in Block II 6. Corporate Guarantee of PDPPL & EPDL & personal guarantee of Jitendra Virwani
30	Pune Embassy Projects Private Ltd	Punjab National Bank	705.00	719.40	359.70	11.50%	To be repaid in September 2010	At 2% p.a. on the loan outstanding	At PLR +2% p.a. on entire amount outstanding in the account	Equitable mortgage of 95 years leasehold rights of undivided land measuring 385,135 sft out of 2,178,000 sft (50 acres), (i.e. in the SEZ area and building to be constructed thereon at a cost of Rs.211.82 crores, with total built up area of 10,10,146 sft, situated at Plot No. PL-3 Rajiv Gandhi Info Tech Park, Hinjewadi

S. No.	Entity	Lender	Amount Sanctioned	Outstanding amount as at 28 February 2010	Loan Balance at group level	Rate of Interest	Repayment terms	Prepayment charges	Default charges	Security
										Phase-II, Pune, on pari passu basis with SBI). Collateral Security: 1. Equitable mortgage of 95 years leasehold rights of 1,394,453 sqft of undivided portion of land (out of 2,980,244 sqft situated at Plot no. PL-3, Rajiv Gandhi InfoTech Park, Hinjewadi Phase-II, Pune on pari passu basis 2. Corporate guarantee of Pune Dynasty Projects Pvt Ltd, EPDL and Personal guarantee of Jitendra Virwani 3. Second charge on the land standing in the name of Pune Dynasty Projects Pvt Ltd measuring 667,350 sqft. land on pari passu basis with SBI
31	Pune Dynasty Projects Private Ltd	Punjab National Bank	685.00	661.48	330.74	12.00%	117 monthly EMI's (33 monthly EMI's of Rs.0.99 crs each from July 2009-Mar 2010), (36 monthly EMI's of Rs.1.09 crs each from April 2012-Mar 2015), (37 monthly EMI's of Rs.1.19 crs each from April 2015-April 2018) and (11 monthly of Rs.1.30 crs each from May 2018-Mar 2019)	At 2% p.a. on the loan outstanding	At PLR +2% p.a. on entire amount outstanding in the account	Second charge by way of equitable mortgage on 95 years lease hold rights of land standing in the name of Pune Embassy Projects Private Ltd. measuring 1,394,453 sft. (land on the SEZ area excluding construction on Block 1, 2, & 5 land area aggregating to 783,547 sft.), first charge being held by SBI and Punjab National Bank for construction loan in favour of Pune Embassy Projects Private Ltd. of Rs.77.50 crores and Rs.70.50 crores respectively 2. Guarantors: Jitendra Virwani 3. Corporate Guarantee: Embassy Property Developments Limited and Pune Embassy Projects Private Limited
32	G V Properties Private Ltd.	HDFC Limited	480.00	449.89	224.94	14.50%	107 monthly EMI's of	At the applicable	Rate mentioned in agreement :	1. Extension of mortgage of the property financed "Embassy Golflinks Business

S. No.	Entity	Lender	Amount Sanctioned	Outstanding amount as at 28 February 2010	Loan Balance at group level	Rate of Interest	Repayment terms	Prepayment charges	Default charges	Security
							Rs.7,986,960 starting from April 2009	rate on the outstanding principle loan amount as per the existing policy of HDFC or as per the rules of HDFC in that behalf.	18%	Park" located at Sy.No10/2A, 10/2B of Challaghatta Village, Varthur Hobli, Bangalore East Taluk. GVPPL's share of undivided share in land and built up area of 169,798 sqft. being constructed thereon and leased out to Goldman Sachs Services Private Ltd. and Yahoo Software Development India Private ltd. 2. Extension of mortgage on the land and buildings that are constructed and already mortgaged with HDFC by Golf Links Software Park Private Ltd. located at Embassy Golf links Business Park campus, Challaghatta Village, Bangalore. 3. Personal guarantee of Mr. Jitendra Virwani, S.N. Ladhani and Prakash Ladhani. 4. And or any other security of similar/ higher value acceptable to HDFC. 5. Undertaking to pay to HDFC the outstanding loan amount in case of breach/cancellation of lease agreement 6. Assignment of rent receivables from all the lessees tied up for these facilities, for direct payment of lease rentals to HDFC 7. Undertaking to pay HDFC any shortfall in payment of monthly installment 8. Irrevocable letter to be obtained from all the lessees tied up for these facilities, remitting the monthly lease rentals directly to HDFC
33	Concord India Ltd	HDFC Ltd	392.60	384.92	384.92	17.50%	Full repayment by April 2010	Not Applicable	At 2% p.a. over and above PLR on the interest due	Mortgage of land at Kadugondanahalli, Whitefield measuring 78 acres and personal guarantee of Jitendra Virwani
34	Umbel Properties Private Ltd.	HDFC Ltd.	925.00	740.00	319.38	14.75%	33 months from February 2008	At the applicable rate on the	Rate mentioned in agreement : 18%	1. Mortgage of the property financed admeasuring 3 acres & 21 guntas of land and built up area thereon being

S. No.	Entity	Lender	Amount Sanctioned	Outstanding amount as at 28 February 2010	Loan Balance at group level	Rate of Interest	Repayment terms	Prepayment charges	Default charges	Security
								outstanding principle loan amount as per the existing policy of HDFC or as per the rules of HDFC in that behalf.		constructed at " Embassy Golflinks Business Park", campus, Sy. No 5/1 Challagatta Village, Varthur Hobli, Bangalore East Taluk, Bangalore 2. Extension on all the properties that is already mortgaged with HDFC by Golf Links Software Park Private Ltd; which are located in " Embassy Golf Links Business Park" campus, Challagatta Village, Bangalore 3. Personal guarantees of Mr. Jitendra Virwani, Mr. S. N. Ladhani and Mr. Prakash Ladhani
35	Umbel Properties Private Ltd.	HDFC Ltd.	75.00	75.00	32.37	14.75%	33 months from February 2008	At the applicable rate on the outstanding principle loan amount as per the existing policy of HDFC or as per the rules of HDFC in that behalf.	Rate mentioned in agreement : 18%	1. Mortgage of the property financed admeasuring 3 acres & 21 guntas of land and built up area thereon being constructed at " Embassy Golflinks Business Park" campus, Sy. No 5/1 Challagatta Village, Varthur Hobli, Bangalore East Taluk, Bangalore 2. Extension on all the properties that is already mortgaged with HDFC by Golflinks Software Park Private Ltd; which are located in " Embassy Golflinks Business Park" campus, Challagatta Village, Bangalore 3. Personal guarantees of Mr. Jitendra Virwani, Mr. S. N. Ladhani and Mr. Prakash Ladhani
36	DM Estates Private Limited	ICICI Bank	6.657	1.58	0.79	16.50%-16.54%	Repayable in 36 installments	None	The bank is entitled to take repossession of the hypothecated vehicle	1. Exclusive charge on the vehicles
37	Saphire Realtors Private Limited	ING Vysya bank	0.50	0.54	0.54	7.25%	To be repaid on 21 June 2010 at the time of maturity of the	None specified	None specified	Charge created on the fixed deposit held by Embassy Property Developments Limited

S. No.	Entity	Lender	Amount Sanctioned	Outstanding amount as at 28 February 2010	Loan Balance at group level	Rate of Interest	Repayment terms	Prepayment charges	Default charges	Security
							fixed deposit, unless the deposit term is renewed			

Note: Amount of loan consolidated at group level is based on percentage of stake held in the entity

ANNEXURE – X

DETAILS OF CONSOLIDATED UNSECURED LOAN, AS RESTATED

Rs in millions	As at 31 March					As at 28 February
PARTICULARS	**2005**	**2006**	**2007**	**2008**	**2009**	**2010**
Short term loans						
From Promoters and Group Companies of Promoters	286.01	807.68	732.72	745.98	905.60	852.17
From others	52.05	53.31	51.47	65.75	342.58	366.58
Total	**338.06**	**860.99**	**784.19**	**811.73**	**1,248.18**	**1,218.75**

Notes:

1 The figures disclosed above are based on the Restated Consolidated Summary Statements of Embassy Property Developments Limited.

2 The list of persons/entities classified as 'Promoters' and 'Group Companies of Promoters' has been determined by the Management and relied upon by auditors. The auditors have not performed any procedures to determine whether this list is accurate or complete.

Following are the details of unsecured loans as at 28 February 2010

Name of the lender	Amount outstanding as at 28 Feb 2010	Interest rate	Repayment terms
From Promoters and Group Companies of Promoters			
DSRK Holdings Private Limited	263.13	0%	On Demand
J V Holding Private Limited	167.97	0%	On Demand
Saltire Developers Private Limited	141.97	0%	On Demand
More Finanshare Investments Private Limited	88.80	0%	On Demand
M D Realtors Private Limited	66.11	0%	On Demand
Nam Estates Private Limited	0.02	0%	On Demand
Embassy Constructions & Developments Private Limited	9.76	0%	On Demand
Infantry Holdings Private Limited	8.65	0%	On Demand
Jitendra Virwani	48.82	0%	On Demand
Narpat Singh Choraria	8.49	0%	On Demand
Oasis Home Holdings Private Limited	2.15	0%	On Demand
Pet Properties & Constructions Private Limited	46.30	0%	On Demand
	852.17		

Name of the lender	Amount outstanding as at 28 Feb 2010	Interest rate	Repayment terms
From others			
Brindavan Beverages Private Limited	278.87	Refer note 1	On Demand
Dinesh Ranka Associates	7.50	0%	On Demand
DRA Projects Private Limited	11.25	0%	On Demand
Harish Ram Khoobchandani	2.99	0%	On Demand
Jumna's	4.48	12%	On Demand
K J George	8.63	0%	On Demand
K J Kuruvilla	1.00	0%	On Demand
Mamta Construction Company Private Limited	12.50	0%	On Demand
Mamta Enterprises	23.77	0%	On Demand
Nishanth Ranka	9.29	0%	On Demand
United Telecom Limited	6.30	0%	On Demand
	366.58		

Note:

1 In respect of the loan taken from Brindavan Beverages Private Limited, interest and other terms are yet to be agreed upon. However, the Group has obtained waiver of interest upto the period ended 28 February 2010.

ANNEXURE – XI

DETAIL OF CONSOLIDATED INVESTMENTS, AS RESTATED

Rs in millions	As at 31 March					As at 28 February
PARTICULARS	**2005**	**2006**	**2007**	**2008**	**2009**	**2010**
A) Long term investment, unquoted						
Investment in equity shares of associate and other related companies						
Embassy Residency International LLC	-	-	-	0.41	-	-
Guruprasad Hotels Private Limited	-	14.00	0.02	0.01	-	-
Embassy Real Estate Properties & Holdings Private Limited	-	1.30	1.30	1.30	9.92	7.10
Concord India Private Limited	-	-	-	34.61	-	-
RGE Constructions and Developments Private Limited	-	-	-	3.15	6.22	6.22
Investment in capital of partnership firms (accounted for as associates)						
Embassy Brindavan Developers	2.00	2.00	2.00	2.00	2.00	-
Embassy Development Corporation	-	0.10	0.10	0.10	0.10	-
Global Façade Solutions	0.05	0.05	0.05	-	-	-
Magrath Property Developers	0.25	0.25	0.25	0.25	-	-
Embassy - ANL Consortium	2.37	0.01	-	-	-	-
Mall Ventures	-	-	-	0.05	0.05	-
Swire Properties	-	-	-	0.05	0.05	0.05
Investment in debentures issued by companies						
Unquoted						
Span Ventures Private Limited	-	-	-	-	-	99.47
DSRK Holdings Private Limited	-	-	100.00	100.00	50.45	50.00
RGE Constructions and Developments Private Limited	-	-	-	200.86	200.86	200.86
Total (A)	**4.67**	**17.70**	**103.72**	**342.79**	**269.66**	**363.71**
B. Short term, non trade investments, quoted						
ICICI Bank Limited	-	-	-	-	0.13	0.13
Bharat Earth Movers Limited	-	-	-	-	0.11	0.11
JSW Steel Limited	-	-	-	-	0.17	0.12
Tata Steel Limited	-	-	-	-	0.13	0.13
Essel Propack Limited	-	-	-	-	-	0.00
Galada Power and Telecom Limited	-	-	-	-	-	0.01
Kirloskar Brothers Limited	-	-	-	-	-	0.13
Samtel Color Limited	-	-	-	-	-	0.01
Andhra Sugar Limited	-	-	-	-	-	0.00
Saurashtra Cements Limited	-	-	-	-	-	0.02
Total (B)	**-**	**-**	**-**	**-**	**0.53**	**0.65**
C. Short term, non trade investments, unquoted						
Integrated Labway Private Limited	0.05	0.05	0.05	0.05	0.05	0.05
Other group companies (individually insignificant investments)	-	-	-	-	4.46	-
Guruvayoor Constructions Private Limited	5.00	5.00	-	-	-	-
Ojas Industrial Private Limited	-	-	31.00	31.00	-	-

Investments in mutual funds	0.92	12.58	30.80	27.03	56.90	29.37
Indra Vikas Patra / National Savings Certificate	0.10	0.10	0.10	0.10	0.11	0.11
Total (C)	**6.07**	**17.73**	**61.95**	**58.19**	**61.52**	**29.52**
Grand total (A) + (B) + (C)	10.75	35.44	165.67	400.97	331.72	393.88
Aggregate market value of quoted investment	NA	NA	NA	NA	0.90	2.90

Note:

The figures disclosed above are based on the Restated Consolidated Summary Statements of Embassy Property Developments Limited.

ANNEXURE – XII

STATEMENT OF CONSOLIDATED SUNDRY DEBTORS, AS RESTATED

Rs in millions	As at 31 March					As at 28 February
PARTICULARS	**2005**	**2006**	**2007**	**2008**	**2009**	**2010**
Unsecured, considered good						
Debts outstanding for a period exceeding six months from						
- Promoters and Group Companies of Promoters	-	81.41	228.79	315.95	315.95	-
- Others	6.45	10.02	0.26	6.87	147.62	155.62
Total (A)	6.45	91.43	229.05	322.82	463.57	155.62
Other debts						
- Promoters and Group Companies of Promoters	107.04	169.61	87.15	-	33.13	124.49
- Others	33.70	0.46	39.67	484.87	451.38	251.23
Total (B)	140.74	170.07	126.82	484.87	484.51	375.72
TOTAL (A+B)	**147.19**	**261.50**	**355.87**	**807.69**	**948.08**	**531.34**

Notes:

1 The figures disclosed above are based on the Restated Consolidated Summary Statements of Embassy Property Developments Limited.

2 The list of persons/entities classified as 'Promoters' and 'Group Companies of Promoters' has been determined by the Management and relied upon by auditors. The auditors have not performed any procedures to determine whether this list is accurate or complete.

ANNEXURE – XIII

STATEMENT OF CONSOLIDATED OTHER CURRENT ASSETS AND LOANS AND ADVANCES AS RESTATED

Rs in millions	As at 31 March					As at 28 February
PARTICULARS	**2005**	**2006**	**2007**	**2008**	**2009**	**2010**
Other current assets						
Unbilled revenue						
- Promoters and Group Companies of Promoters	-	-	-	-	-	-
- Others	-	-	-	9.60	92.10	102.49
Receivable for sale of shares						
- Promoters and Group Companies of Promoters	-	-	-	-	158.00	84.01
- Others	-	-	-	-	-	-
Receivable for sale of assets						
- Promoters and Group Companies of Promoters	-	-	-	-	416.43	215.59
- Others	-	-	-	-	-	87.72
Current account balance in partnership firms						
- Promoters and Group Companies of Promoters	21.26	571.07	265.41	1,044.23	176.77	132.84
- Others	-	-	-	-	-	-
Interest accrued						
- Promoters and Group Companies of Promoters	-	-	-	-	-	-
- Others	-	-	-	-	1.16	1.52
	21.26	**571.07**	**265.41**	**1,053.83**	**844.46**	**624.17**
Loans and advances						
(Unsecured, considered good)						
Advances recoverable in cash or in kind or for value to be received						
- Promoters and Group Companies of Promoters	-	51.24	625.73	32.61	330.07	68.28
- Others	612.36	1,143.56	464.12	89.87	544.01	333.28
Advance paid for purchase of land						
- Promoters and Group Companies of Promoters	91.61	97.03	233.78	426.23	477.65	174.10
- Others	1,074.62	955.66	845.75	1,231.81	1,419.51	1,354.10
Advances paid towards jointly developable properties						
- Promoters and Group Companies of Promoters	41.05	169.23	458.23	612.16	453.18	416.88
- Others	33.25	111.30	201.38	284.78	248.51	235.14
Advance paid under share purchase agreement						
- Promoters and Group Companies of Promoters	-	-	-	-	-	-
- Others	-	340.00	340.00	340.00	492.55	340.00
Debenture application money pending allotment						
- Promoters and Group Companies of Promoters	-	-	-	-	85.72	-
- Others	-	-	-	-	-	-
Loans to subsidiaries and associate companies						
- Promoters and Group Companies of	2.57	163.89	681.19	78.89	726.54	1,247.19

Promoters						
- Others	-	-	-	-	-	-
Inter corporate deposits						
- Promoters and Group Companies of Promoters	-	-	-	-	97.39	97.39
- Others	-	-	-	-	-	118.91
Balance with government authorities						
- Promoters and Group Companies of Promoters	-	-	-	-	-	-
- Others	-	-	-	15.92	36.11	42.00
Deposits						
- Promoters and Group Companies of Promoters	-	-	-	-	-	-
- Others	2.89	3.89	5.21	6.41	58.63	54.37
Advance tax (net of provision for taxation)						
- Promoters and Group Companies of Promoters	-	-	-	-	-	-
- Others	-	5.75	25.38	48.07	282.85	298.95
(Unsecured, considered doubtful)						
Advance towards purchase of land						
- Promoters and Group Companies of Promoters	-	-	-	-	103.53	103.53
- Others	-	-	-	-	-	-
Less: Provision for doubtful loans and advances	-	-	-	-	(103.53)	(103.53)
	1,858.35	**3,041.55**	**3,880.77**	**3,166.75**	**5,252.72**	**4,780.59**
TOTAL	**1,879.61**	**3,612.62**	**4,146.18**	**4,220.58**	**6,097.18**	**5,404.76**

Notes:

1 The figures disclosed above are based on the Restated Consolidated Summary Statements of Embassy Property Developments Limited.

2 The list of persons/entities classified as 'Promoters' and 'Group Companies of Promoters' has been determined by the Management and relied upon by auditors. The auditors have not performed any procedures to determine whether this list is accurate or complete.

ANNEXURE – XIV

DETAIL OF CONSOLIDATED CONTINGENT LIABILITIES, AS RESTATED

Rs in millions	As at 31 March					As at 28 February
PARTICULARS	**2005**	**2006**	**2007**	**2008**	**2009**	**2010**
Commitment for purchase of shares in:						
- Gordon Woodroffe Limited	-	2,131.40	2,131.40	2,131.40	2,131.40	2,131.40
Corporate Guarantee given in favour:						
- of a bank for loans taken by other companies	-	-	-	-	3,400.88	6,118.90
Income tax cases	-	-	-	-	10.45	10.45
Entry tax claims	-	-	-	-	1.03	1.03
Commitments for land	-	-	-	-	54.51	54.51
Others						
Estimated amount of contract remaining to be executed on capital account and not provided for (net of advances)	-	-	-	2.18	4,116.41	3,073.10

Notes :

1 The figures disclosed above are based on the Restated Consolidated Summary Statements of Embassy Property Developments Limited. Karnataka Industrial Area Development (KIADB) has allotted 78 acres of land to the Group on lease cum sale basis. Of the 78 acres, 58 acres is for a period of 20 years and 20 acres is for a period of 11 years. The allotment is to develop infrastructure facilities for IT/ITES companies. In accordance with the terms of agreement with KIADB, a consideration of Rs 432,463,420 has been paid. The agreement gives a right to the Group to acquire the land at the end of the lease without additional consideration. However, if KIADB incurs any further costs towards settlement to the previous owners, KIADB has the right to recover the additional costs from the Group. Between the period from the end of the lease term till transfer of ownership, the Group is required to pay a nominal rent of Rs 79,000 per annum. As at the balance sheet date, KIADB has not intimated any additional consideration. Management believes that no further cost is required to be paid to KIADB.

Further, the aforementioned parcel of land is currently subject to litigation between the Range Forest Officer, Krishnarajapuram Range, Bangalore, KIADB and the Company. The Range Forest Officer has contended illegal occupation of forest land by KIADB and the Company and sought an enquiry into the same. The Company has filed a writ petition to the Honourable High Court of Karnataka praying for stay of all proceedings. The matter is currently sub-judice before Honourable High Court of Karnataka. Based on a legal opinion obtained and also considering the facts and circumstances of the case, Management believes that the Group has absolute and unfettered right and title over the land.

ANNEXURE – XV

CAPITALISATION STATEMENT

Rs in millions

PARTICULARS	**Pre-issue as at 28 February 2010**	**Post issue**
Short term debt	2,250.10	(.)
Long term debt (A)	13,461.63	(.)
	15,711.73	
Shareholders funds		
Share capital	25.59	(.)
Reserves and surplus	14,551.03	(.)
Total shareholders funds (B)	14,576.62	(.)
Long term debt/ equity (A/B)	**1.08:1**	(.)

Notes:

1 The figures disclosed above are based on the Restated Consolidated Summary Statements of Embassy Property Developments Limited.

2 Post issue details have not been provided as the Issue Price is not known at the date of the report.

3 Reserves and surplus includes Foreign currency translation reserve of Rs 5.93 million (debit balance) and capital reserve of Rs 1,000.40 million as at 28 February 2010

ANNEXURE – XVI

DETAILS OF THE LIST OF RELATED PARTIES AND NATURE OF RELATIONSHIPS

Particulars	Year ended 31 March 2005	Year ended 31 March 2006	Year ended 31 March 2007	Year ended 31 March 2008	Year ended 31 March 2009	Period ended 28 February 2010
Key Management Personnel	Jitendra Virwani	Jitendra Virwani	Jitendra Virwani	Jitendra Virwani	Jitendra Virwani	Jitendra Virwani
	Narpat Singh Choraria	Narpat Singh Choraria	Narpat Singh Choraria	Narpat Singh Choraria	Narpat Singh Choraria	Narpat Singh Choraria
	-	-	-	-	Reddy Veeranna	Reddy Veeranna
	-	-	-	-	K J George	K J George
	-	-	-	-	K J Kurvilla	K J Kurvilla
	K Y Gopi Krishnan	K Y Gopi Krishnan	K Y Gopi Krishnan	K Y Gopi Krishnan	K Y Gopi Krishnan	K Y Gopi Krishnan
Relatives of Key Management Personnel	Vandana Virwani	-	-	-	Vandana Virwani	-
	-	Neel Virwani	Neel Virwani	Neel Virwani	Neel Virwani	Neel Virwani
	Karan Virwani	Karan Virwani	Karan Virwani	Karan Virwani	Karan Virwani	Karan Virwani
Enterprises where control exists	-	-	-	-	J V Holding Private Limited	J V Holding Private Limited
Enterprises having significant influence over the Company	Dynasty Stock Holdings Private Limited	Dynasty Stock Holdings Private Limited	Dynasty Stock Holdings Private Limited	Dynasty Stock Holdings Private Limited	-	-
	Embassy Finvest Private Limited	Embassy Finvest Private Limited	Embassy Finvest Private Limited	Embassy Finvest Private Limited	-	-
	-	-	-	Embassy Leasing Private Limited	-	-
	Swire Investments Private Limited	Swire Investments Private Limited	Swire Investments Private Limited	Swire Investments Private Limited	-	-
Individuals, Associates and Companies under common control	Magrath Properties Private Limited	Magrath Properties Private Limited	Magrath Properties Private Limited	Magrath Properties Private Limited	Magrath Properties Private Limited	Magrath Properties Private Limited
	-	-	-	More Finanshare Investments Private Limited	More Finanshare Investments Private Limited	More Finanshare Investments Private Limited
	Embassy Realtors Private Limited	Embassy Realtors Private Limited	Embassy Realtors Private Limited	Embassy Realtors Private Limited	-	-
	DSRK (Holdings) Private Limited	DSRK (Holdings) Private Limited	DSRK (Holdings) Private Limited	DSRK (Holdings) Private Limited	DSRK (Holdings) Private Limited	DSRK (Holdings) Private Limited
	Embassy Construction & Development Private Limited	Embassy Construction & Development Private Limited	Embassy Construction & Development Private Limited	Embassy Construction & Development Private Limited	Embassy Construction & Development Private Limited	Embassy Construction & Development Private Limited
	-	-	-	-	Dynasty Stock Holdings Private Limited	-
	Ditrita Developers Private Limited	Ditrita Developers Private Limited	Ditrita Developers Private Limited	Ditrita Developers Private Limited	Ditrita Developers Private Limited	Ditrita Developers Private Limited
	Nam Estates Private Limited	Nam Estates Private Limited	Nam Estates Private Limited	Nam Estates Private Limited	Nam Estates Private Limited	Nam Estates Private Limited
	Oakwood	-	Oakwood	Oakwood	Oakwood	Oakwood

Particulars	Year ended 31 March 2005	Year ended 31 March 2006	Year ended 31 March 2007	Year ended 31 March 2008	Year ended 31 March 2009	Period ended 28 February 2010
	Developers Private Limited		Developers Private Limited	Developers Private Limited	Developers Private Limited	Developers Private Limited
	-	-	Nam Investments Private Limited	Nam Investments Private Limited	Nam Investments Private Limited	Nam Investments Private Limited
	Umbel Properties Private Limited	-	Umbel Properties Private Limited	Umbel Properties Private Limited	Umbel Properties Private Limited	Umbel Properties Private Limited
	Embassy Projects Private Limited	-	Embassy Projects Private Limited	Embassy Projects Private Limited	-	Embassy Projects Private Limited
	Saphire Realtors Private Limited	Saphire Realtors Private Limited	Saphire Realtors Private Limited	Saphire Realtors Private Limited	-	-
	Dynasty Properties Private Limited	Dynasty Properties Private Limited	Dynasty Properties Private Limited	-	Dynasty Properties Private Limited	Dynasty Properties Private Limited
	-	-	D M Estates Private Limited	D M Estates Private Limited	D M Estates Private Limited	D M Estates Private Limited
	-	-	-	-	Embassy Finvest Private Limited	-
	Embassy Home Investments Private Limited	-	-	Embassy Home Investments Private Limited	-	-
	-	-	Maoj Investments Private Limited	-	Maoj Investments Private Limited	Maoj Investments Private Limited
	Dynasty Holdings Private Limited	Dynasty Holdings Private Limited	-	-	Dynasty Holdings Private Limited	Dynasty Holdings Private Limited
	Infantry Holdings Private Limited	Infantry Holdings Private Limited	-	-	Infantry Holdings Private Limited	Infantry Holdings Private Limited
	-	-	-	-	Oasis Home Holdings Private Limited	Oasis Home Holdings Private Limited
	Narpat Holdings Private Limited	Narpat Holdings Private Limited	-	-	-	-
	Embassy Shelters Private Limited	Embassy Shelters Private Limited	Embassy Shelters Private Limited	-	-	Embassy Shelters Private Limited
	M D Realtors Private Limited	M D Realtors Private Limited	M D Realtors Private Limited	M D Realtors Private Limited	M D Realtors Private Limited	M D Realtors Private Limited
	Embassy Management Consultants Private Limited	Embassy Management Consultants Private Limited	-	Embassy Management Consultants Private Limited	Embassy Management Consultants Private Limited	-
	Concord India Private Limited	Concord India Private Limited	Concord India Private Limited	Concord India Private Limited	-	-
	Golf Links Software Park Private Limited	Golf Links Software Park Private Limited	Golf Links Software Park Private Limited	Golf Links Software Park Private Limited	Golf Links Software Park Private Limited	Golf Links Software Park Private Limited
	Manyata Promoters Private Limited	Manyata Promoters Private Limited	Manyata Promoters Private Limited	Manyata Promoters Private Limited	Manyata Promoters Private Limited	Manyata Promoters Private Limited
	Embassy	Embassy	Embassy	Embassy	Embassy	Embassy

Particulars	Year ended 31 March 2005	Year ended 31 March 2006	Year ended 31 March 2007	Year ended 31 March 2008	Year ended 31 March 2009	Period ended 28 February 2010
	Services Private Limited	Services Private Limited	Services Private Limited	Services Private Limited	Services Private Limited	Services Private Limited
	Swire Holdings Private Limited	-	-	-	Swire Holdings Private Limited	-
	-	Raffles Square Development Corporation Private Limited	Raffles Square Development Corporation Private Limited	-	Raffles Square Development Corporation Private Limited	Raffles Square Development Corporation Private Limited
	Pet Properties and Constructions Private Limited	Pet Properties and Constructions Private Limited	Pet Properties and Constructions Private Limited	-	Pet Properties and Constructions Private Limited	Pet Properties and Constructions Private Limited
	-	Wild Flowers Estate and Resorts Private Limited	Wild Flowers Estate and Resorts Private Limited	Wild Flowers Estate and Resorts Private Limited	Wild Flowers Estate and Resorts Private Limited	Wild Flowers Estate and Resorts Private Limited
	Sudha Sree Hotel Complex Private Limited	Sudha Sree Hotel Complex Private Limited	Sudha Sree Hotel Complex Private Limited	-	Sudha Sree Hotel Complex Private Limited	-
	Embassy Holdings	Embassy Holdings	Embassy Holdings	Embassy Holdings	Embassy Holdings	Embassy Holdings
	Embassy Interiors Private Limited	-	-	-	-	-
	Udhyaman Investments Private Limited	-	Udhyaman Investments Private Limited	-	Udhyaman Investments Private Limited	Udhyaman Investments Private Limited
	-	-	Saltire Developers Private Limited	Saltire Developers Private Limited	-	Saltire Developers Private Limited
	-	-	DSRK Holdings (Chennai) Private Limited	DSRK Holdings (Chennai) Private Limited	DSRK Holdings (Chennai) Private Limited	DSRK Holdings (Chennai) Private Limited
	-	-	-	-	Dynasty International	-
	-	-	-	Embassy Knowledge Infrastructure Projects Private Limited	Embassy Knowledge Infrastructure Projects Private Limited	Embassy Knowledge Infrastructure Projects Private Limited
	-	-	-	-	G V Properties Private Limited	G V Properties Private Limited
	-	-	Pune Embassy Projects Private Limited	Pune Embassy Projects Private Limited	Pune Embassy Projects Private Limited	Pune Embassy Projects Private Limited
	-	-	Pune Dynasty Projects Private Limited	Pune Dynasty Projects Private Limited	Pune Dynasty Projects Private Limited	Pune Dynasty Projects Private Limited
	-	-	-	-	Embassy Housing Finance & Development Private Limited	Embassy Housing Finance & Development Private Limited
	-	-	-	-	Reddy Veeranna	Reddy Veeranna
	Embassy Real Estate Properties	Embassy Real Estate Properties	Embassy Real Estate Properties	Embassy Real Estate Properties	Embassy Real Estate Properties	Embassy Real Estate Properties

Particulars	Year ended 31 March 2005	Year ended 31 March 2006	Year ended 31 March 2007	Year ended 31 March 2008	Year ended 31 March 2009	Period ended 28 February 2010
	& Holdings Private Limited	& Holdings Private Limited	& Holdings Private Limited	& Holdings Private Limited	& Holdings Private Limited	& Holdings Private Limited
	-	-	Dynasty Business Parks Sdn Bhd Malaysia	-	Dynasty Business Parks Sdn Bhd Malaysia	Dynasty Business Parks Sdn Bhd Malaysia
	-	-	Guruprasad Hotels Private Limited	-	-	-
	-	-	-	-	Swire Tech Park Project Private Limited	Swire Tech Park Project Private Limited
	-	-	-	-	Reddy Veeranna Constructions Private Limited	Reddy Veeranna Constructions Private Limited
	-	-	-	-	Golf Links Embassy Business Park Management Services Private Limited	Golf Links Embassy Business Park Management Services Private Limited
	-	-	-	-	HDFC Ventures Trustee Company Limited	HDFC Ventures Trustee Company Limited
	-	-	-	RGE Constructions & Development Private Limited	-	RGE Constructions & Development Private Limited
	-	-	-	-	Worldcrown Limited	Worldcrown Limited
	M D Properties Private Limited	M D Properties Private Limited	M D Properties Private Limited	MD Properties Private Limited	MD Properties Private Limited	MD Properties Private Limited
	-	-	-	Altavista Investment Limited	-	-
	-	-	-	-	Brindavan Beverages Private Limited	Brindavan Beverages Private Limited
	-	-	-	-	Worldscope Limited	-
	-	-	-	-	Vijaygi Investments Private Limited	Vijaygi Investments Private Limited
	-	-	-	-	Embassy Group International	-
	-	-	-	-	R G Lakeside Properties Private Limited	-
	-	-	-	-	Swire Properties Private Limited	Swire Properties Private Limited
	-	-	-	-	Printers India	Printers India
	-	-	-	-	Span Ventures Private Limited	Span Ventures Private Limited
	-	-	Embassy - ANL	Embassy - ANL	Embassy- ANL	Embassy- ANL

Particulars	Year ended 31 March 2005	Year ended 31 March 2006	Year ended 31 March 2007	Year ended 31 March 2008	Year ended 31 March 2009	Period ended 28 February 2010
			Consortium	Consortium	Consortium	Consortium
	-	-	-	-	-	Laketown Sdn Bhd
	-	-	-	-	-	Ketara Megah Sdn Bhd
	-	-	-	-	-	Milan Gateway Sdn Bhd
	-	-	-	-	-	Joyful Gateway Sdn Bhd
	-	-	-	-	-	Mkn Holdings Sdn Bhd
	-	-	-	-	-	Emerald Wonder Sdn Bhd
	-	-	-	-	-	Azikaf Sdn Bhd
	-	-	-	-	-	Manyata Residency
	-	-	-	-	Stonehill Education Foundation	Stonehill Education Foundation
	-	-	-	-	-	Starwood Properties Private Limited
	-	-	-	-	-	Pollywood Properties Private Limited
	-	-	-	-	-	LJ Victoria Properties Private Limited
	-	-	-	-	United Telecom Limited	United Telecom Limited
	-	-	-	-	-	Classic Investments
	Nicholl Properties Private Limited	-	-	-	-	-
Partnership firm in which the Company is a partner	Embassy Development Corporation	Embassy Development Corporation	Embassy Development Corporation	Embassy Development Corporation	-	Embassy Development Corporation
	Magrath Property Developers	Magrath Property Developers	Magrath Property Developers	Magrath Property Developers	Magrath Property Developers	Magrath Property Developers
	Global Façade Solutions	Global Façade Solutions	-	-	-	-
	Embassy ANL Consortium	Embassy ANL Consortium	-	-	-	Embassy ANL Consortium
	Davis Investments	-	-	-	-	-
	-	-	-	Swire Properties	-	Swire Properties
	-	-	-	Mall Ventures	Mall Ventures	Mall Ventures
	-	-	Embassy Brindavan Developers	Embassy Brindavan Developers	Embassy Brindavan Developers	Embassy Brindavan Developers
Partners of partnership firm	-	-	-	-	Dharmesh Ranka	-
	-	-	-	-	Kanta Ranka	Kanta Ranka

Particulars	Year ended 31 March 2005	Year ended 31 March 2006	Year ended 31 March 2007	Year ended 31 March 2008	Year ended 31 March 2009	Period ended 28 February 2010
in which the	-	-	-	-	Manish Ranka	Manish Ranka
Company is a	-	-	-	-	Rajeev Ranka	Rajeev Ranka
partner	-	-	-	-	Sanjeev Ranka	Sanjeev Ranka

ANNEXURE – XVI (CONTINUED)

DISCLOSURES OF SIGNIFICANT TRANSACTIONS WITH RELATED PARTIES

Rs in millions		For the year ended 31 March					From 1 April 2009 to 28 February
PARTICULARS	**ENTITY**	**2005**	**2006**	**2007**	**2008**	**2009**	**2010**
Unsecured loan repaid							
	Magrath Properties Private Limited	427.06	64.36	31.35	-	354.50	-
	Dynasty Holdings Private Limited	0.05	35.53	-	-	-	-
	Jitendra Virwani	156.14	383.41	152.14	-	5.00	0.77
	Ditrita Developers Private Limited	3.49	13.00	-	-	-	-
	Pet Properties and Constructions Private Limited	3.57	20.00	-	-	7.75	294.22
	Swire Holdings Private Limited	0.10	-	-	-	-	-
	Embassy Interiors Private Limited	0.06	-	-	-	-	-
	Udhyaman Investments Private Limited	7.32	-	-	-	-	-
	Dynasty Stock Holdings Private Limited	-	57.38	2.40	-	0.47	-
	Infantry Holdings Private Limited	-	1.25	-	-	-	8.32
	Embassy Construction & Development Private Limited	-	76.75	0.96	-	-	62.38
	Nam Estates Private Limited	-	14.70	-	-	-	-
	DSRK (Holdings) Private Limited	-	-	615.63	17.70	0.08	2.63
	Saltire Developers Private Limited	-	-	10.20	-	-	110.92
	Sudha Sree Hotel Complex Private Limited	-	-	48.20	-	-	-
	Raffles Square Development Corporation Private Limited	-	-	31.90	-	-	31.85
	Embassy Brindavan Developers	-	-	10.00	-	-	-
	Swire Investments Private Limited	-	-	0.88	-	-	-
	DSRK Holdings(Chennai) Private Limited	-	-	-	-	10.00	-
	Dynasty International	-	-	-	-	0.00	-
	Embassy Knowledge Infrastructure Projects Private Limited	-	-	-	-	10.28	-
	G V Properties Private Limited	-	-	-	-	17.25	-
	Golf Links Software Park Private Limited	-	-	-	-	3.08	-
	More Finanshare Investments Private Limited	-	-	-	-	1.25	119.52
	Pune Embassy Projects	-	-	-	-	0.10	-

Rs in millions PARTICULARS	ENTITY	For the year ended 31 March 2005	2006	2007	2008	2009	From 1 April 2009 to 28 February 2010
	Private Limited						
	Umbel Properties Private Limited	-	-	-	-	0.85	-
	Embassy Housing Finance & Development Private Limited	-	-	-	-	0.25	-
	Reddy Veeranna	-	-	-	-	0.03	-
	Nam Investments Private Limited	-	-	-	-	74.69	-
	Worldcrown Limited	-	-	-	-	0.00	-
Unsecured loan received							
	Magrath Properties Private Limited	351.10	110.72	15.69	1.97	-	-
	Jitendra Virwani	337.14	205.34	159.06	-	31.00	-
	Dynasty Holdings Private Limited	0.05	-	-	-	-	38.98
	Ditrita Developers Private Limited	1.58	13.00	-	-	-	-
	Pet Properties and Constructions Private Limited	3.57	20.00	-	-	-	305.10
	Udhyaman Investments Private Limited	6.27	-	-	-	-	-
	Swire Holdings Private Limited	0.10	-	-	-	-	-
	Vandana Virwani	0.24	-	-	-	0.50	-
	Nam Estates Private Limited	-	14.70	-	-	-	-
	DSRK (Holdings) Private Limited	-	665.40	535.13	-	-	-
	Dynasty Stock Holdings Private Limited	-	52.97	-	-	0.00	-
	Raffles Square Development Corporation Private Limited	-	31.90	-	-	-	-
	Embassy Construction & Development Private Limited	-	77.73	-	7.04	45.05	10.27
	Infantry Holdings Private Limited	-	1.25	-	-	-	16.97
	Saltire Developers Private Limited	-	-	20.50	0.71	-	242.00
	Sudha Sree Hotel Complex Private Limited	-	-	48.20	-	-	-
	Embassy Brindavan Developers	-	-	10.00	35.64	-	-
	Swire Investments Private Limited	-	-	2.85	-	-	-
	More Finanshare Investments Private Limited	-	-	-	43.54	63.09	111.35
	Narpat Singh Choraria	-	-	-	-	8.49	-
	Pune Dynasty Projects Private Limited	-	-	-	1.10	-	-

Rs in millions PARTICULARS	ENTITY	For the year ended 31 March 2005	2006	2007	2008	2009	From 1 April 2009 to 28 February 2010
	Karan Virwani	-	-	-	-	0.68	-
	Embassy Finvest Private Limited	-	-	-	-	54.71	-
	Golf Links Software Park Private Limited	-	-	-	-	10.25	-
	J V Holding Private Limited	-	-	-	-	0.25	126.20
	K J George	-	-	-	-	0.10	-
	Oasis Home Holdings Private Limited	-	-	-	-	-	0.10
Unsecured loan on account of merger							
	M D Realtors Private Limited	-	-	-	-	-	66.11
	J V Holding Private Limited	-	-	-	-	-	41.77
Advance given for purchase of land							
	Saphire Realtors Private Limited	248.28	0.42	6.97	3.75	-	-
	Wild Flowers Estate and Resorts Private Limited	-	5.00	129.78	190.00	-	-
	DSRK Holdings(Chennai) Private Limited	-	-	400.03	-	-	-
	Udhyaman Investments Private Limited	-	-	-	-	-	236.06
Advance recovered for purchase of land							
	Saphire Realtors Private Limited	233.40	-	-	-	-	-
	Udhyaman Investments Private Limited	-	-	-	-	-	286.71
	Wild Flowers Estate and Resorts Private Limited	-	-	-	-	-	324.78
Advance given/ (recovered) towards jointly developable properties							
	Nam Estates Private Limited	-	30.55	32.61	(38.58)	-	-
	Ditrita Developers Private Limited	-	18.54	26.86	4.42	(35.51)	22.50
	Embassy Real Estate Properties & Holdings Private Limited	109.24	120.14	210.06	0.03	(64.99)	0.02
	Oakwood Developers Private Limited	-	-	18.47	(0.98)	0.00	35.07
	Nam Investments Private Limited	-	-	1.01	21.50	(21.50)	1.27
	Swire Properties	-	-	-	94.19	-	(100.00)
	Embassy Projects Private Limited	-	-	-	39.71	-	-
	Umbel Properties Private	-	-	-	31.88	(7.48)	12.09

Rs in millions PARTICULARS	ENTITY	For the year ended 31 March 2005	2006	2007	2008	2009	From 1 April 2009 to 28 February 2010
	Limited						
	Swire Investments Private Limited	-	-	-	(0.36)	44.93	-
Advances/ Loans given							
	Embassy Construction & Development Private Limited	79.16	0.60	31.76	-	-	1.36
	DSRK (Holdings) Private Limited	10.00	659.60	-	-	-	-
	Global Façade Solutions	2.63	0.40	-	-	-	-
	Sudha Sree Hotel Complex Private Limited	0.59	2.00	1.39	-	-	-
	Dynasty Stock Holdings Private Limited	10.74	27.61	-	-	-	-
	Embassy ANL Consortium	2.37	121.23	-	-	-	-
	Embassy Development Corporation	15.34	749.41	400.33	-	-	204.95
	Swire Investments Private Limited	37.90	9.92	-	-	-	-
	Embassy Management Consultants Private Limited	0.70	0.26	-	-	29.18	-
	Narpat Holdings Private Limited	2.22	1.00	-	-	-	-
	Embassy Projects Private Limited	0.07	-	-	-	-	-
	Udhyaman Investments Private Limited	1.23	-	85.77	-	-	-
	Infantry Holdings Private Limited	28.00	-	-	-	-	-
	Embassy Finvest Private Limited	172.80	328.10	28.68	-	-	-
	Embassy Realtors Private Limited	15.10	-	-	-	-	-
	Manyata Promoters Private Limited	200.00	17.98	-	-	238.60	-
	Saphire Realtors Private Limited	0.11	1.40	-	-	-	-
	Magrath Property Developers	-	-	-	-	0.13	-
	Embassy Home Investments Private Limited	0.12	-	-	18.45	-	-
	Nicholl Properties Private Limited	0.12	-	-	-	-	-
	Oakwood Developers Private Limited	10.91	-	-	-	-	-
	Umbel Properties Private Limited	-	-	0.16	-	-	-
	Pet Properties and Constructions Private Limited	-	-	262.51	-	-	-
	Raffles Square Development Corporation Private Limited	-	-	0.02	-	-	-

Rs in millions PARTICULARS	ENTITY	For the year ended 31 March 2005	2006	2007	2008	2009	From 1 April 2009 to 28 February 2010
	Saphire Realtors Private Limited	-	-	1.40	-	-	-
	Embassy Brindavan Developers	-	-	0.03	-	32.50	-
	Dynasty Business Parks SDN BHD Malaysia	-	-	64.95	-	0.03	-
	D M Estates Private Limited	-	-	15.00	10.38	-	0.76
	Dynasty Properties Private Limited	-	-	112.78	-	-	-
	Maoj Investments Private Limited	-	-	0.05	-	1.61	-
	Pune Embassy Projects Private Limited	-	-	0.03	0.22	-	-
	Pune Dynasty Projects Private Limited	-	-	0.02	-	-	-
	Embassy ANL Consortium	-	-	284.45	22.96	-	-
	Guruprasad Hotels Private Limited	-	-	0.34	-	-	-
	Embassy Projects Private Limited	-	-	1.40	-	-	-
	Embassy Services Private Limited	-	-	3.31	-	-	-
	Embassy Shelters Private Limited	-	-	1.08	-	-	-
	Embassy Knowledge Infrastructure Projects Private Limited	-	-	-	8.60	192.22	89.33
	Embassy Leasing Private Limited	-	-	-	26.20	-	-
	Mall Ventures	-	-	-	0.06	-	-
	More Finanshare Investments Private Limited	-	-	-	-	1.23	-
	Jitendra Virwani	-	-	-	-	70.47	12.52
	J V Holding Private Limited	-	-	-	-	18.88	-
	Nam Investments Private Limited	-	-	-	-	0.08	-
	Swire Tech Park Project Private Limited	-	-	-	-	0.24	-
	Reddy Veeranna	-	-	-	-	-	13.89
	Ditrita Developers Private Limited	-	-	-	-	-	0.13
	Reddy Veeranna Constructions Private Limited	-	-	-	-	-	38.91
	Golf Links Software Park Private Limited	-	-	-	-	-	0.13
Advances/ Loans recovered							
	Embassy Finvest Private Limited	170.23	168.41	6.40	194.01	-	-
	Embassy Realtors Private Limited	15.10	-	-	-	-	-
	Manyata Promoters Private	100.00	-	-	-	-	-

Rs in millions		For the year ended 31 March					From 1 April 2009 to 28 February
PARTICULARS	**ENTITY**	**2005**	**2006**	**2007**	**2008**	**2009**	**2010**
	Limited						
	DSRK (Holdings) Private Limited	11.92	659.60	-	-	456.34	158.09
	Dynasty Stock Holdings Private Limited	128.43	27.61	-	-	-	-
	Manyata Residency	-	-	-	-	-	2.17
	Umbel Properties Private Limited	28.03	-	-	-	-	-
	Embassy Development Corporation	34.09	206.40	715.21	-	-	-
	Embassy Construction & Development Private Limited	82.16	4.01	31.76	-	-	-
	Saphire Realtors Private Limited	0.41	-	-	-	-	-
	Magrath Property Developers	-	-	-	-	-	-
	M D Realtors Private Limited	0.01	-	-	-	-	-
	Embassy Management Consultants Private Limited	1.90	-	-	-	-	-
	Narpat Holdings Private Limited	2.33	1.00	-	-	-	-
	Embassy Home Investments Private Limited	0.23	-	-	-	-	-
	Embassy Projects Private Limited	1.89	-	-	-	-	-
	Udhyaman Investments Private Limited	1.23	-	20.00	-	-	-
	Infantry Holdings Private Limited	38.90	-	-	-	-	-
	Nicholl Properties Private Limited	0.67	-	-	-	-	-
	Oakwood Developers Private Limited	53.32	-	-	-	-	-
	Sudha Sree Hotel Complex Private Limited	-	4.61	5.04	-	-	-
	Embassy Management Consultants Private Limited	-	0.26	-	-	-	-
	Manyata Promoters Private Limited	-	117.98	-	-	-	-
	Global Façade Solutions	-	2.40	-	-	-	-
	Swire Investments Private Limited	-	50.97	-	-	-	-
	Embassy Projects Private Limited	-	-	1.40	-	-	-
	Embassy Shelters Private Limited	-	-	0.10	-	-	-
	D M Estates Private Limited	-	-	1.50	-	0.20	-
	Dynasty Properties Private Limited	-	-	137.42	-	-	-
	Embassy Leasing Private Limited	-	-	-	-	-	-

Rs in millions PARTICULARS	ENTITY	For the year ended 31 March 2005	2006	2007	2008	2009	From 1 April 2009 to 28 February 2010
	Pune Dynasty Projects Private Limited	-	-	-	(0.01)	-	-
	Nam Estates Private Limited	-	-	-	-	0.00	-
	Dynasty Holdings Private Limited	-	-	-	-	(0.40)	-
	G V Properties Private Limited	-	-	-	-	7.25	-
	Embassy Knowledge Infrastructure Projects Private Limited	-	-	-	-	-	14.45
	Golf Links Software Park Private Limited	-	-	-	-	-	0.45
	Maoj Investments Private Limited	-	-	-	-	-	0.98
	Embassy Services Private Limited	-	-	-	-	-	7.46
	Magrath Properties Private Limited	-	-	-	-	-	1.49
Advances received and (repaid)							
	Golf Links Software Park Private Limited	-	-	-	-	-	0.34
	Embassy Knowledge Infrastructure Projects Private Limited	-	-	-	-	-	(1.75)
	Embassy Services Private Limited	-	-	-	-	-	(0.87)
Assignment of current assets							
	L J Victoria Properties Private Limited	-	-	-	-	-	229.01
	Polywood Properties Private Limited	-	-	-	-	-	13.11
	Starwood Properties Private Limited	-	-	-	-	-	308.78
	Udhyaman Investments Private Limited	-	-	-	-	-	382.00
Assignment of current assets							
	L J Victoria Properties Private Limited	-	-	-	-	-	207.61
	Starwood Properties Private Limited	-	-	-	-	-	58.24
	Pune Embassy Projects Private Limited	-	-	-	-	-	348.49
	Pune Dynasty Projects Private Limited	-	-	-	-	-	145.82
	Udhyaman Investments Private Limited	-	-	-	-	-	370.35

Rs in millions PARTICULARS	ENTITY	For the year ended 31 March 2005	2006	2007	2008	2009	From 1 April 2009 to 28 February 2010
Assignment of (income)/ expenses							
	Polywood Properties Private Limited	-	-	-	-	-	0.79
	L J Victoria Properties Private Limited	-	-	-	-	-	(19.06)
	Starwood Properties Private Limited	-	-	-	-	-	(139.26)
Assignment of balances to the Company							
	Narpat Holdings Private Limited	-	-	-	-	-	31.33
Purchase of apartments							
	Infantry Holdings Private Limited	25.79	-	-	-	-	-
	Embassy Construction & Development Private Limited	9.38	9.29	-	-	-	-
	DSRK (Holdings) Private Limited	1.05	-	-	-	-	-
	Umbel Properties Private Limited	1.23	-	-	-	-	-
Rent Deposit Paid							
	Neel Virwani	-	1.00	-	-	-	-
Maintenance charges and other expenses							
	Embassy Services Private Limited	0.90	-	-	-	4.56	12.11
	Embassy Management Services Private Limited	-	-	-	-	8.81	111.17
	Reddy Veeranna Constructions Private Limited	-	-	-	-	5.12	-
	Golf Links Embassy Business Park Management Services Private Limited	-	-	-	-	107.49	-
Interest Income							
	Saphire Realtors Private Limited	0.01	-	-	-	-	-
	Udhyaman Investments Private Limited	-	-	2.03	-	-	-
	More Finanshare Investments Private Limited	-	-	-	-	2.21	-
	Manyata Promoters Private Limited	-	-	-	-	-	50.24
Contract Receipts							

Rs in millions PARTICULARS	ENTITY	For the year ended 31 March 2005	2006	2007	2008	2009	From 1 April 2009 to 28 February 2010
	Sudha Sree Hotel Complex Private Limited	22.05	-	-	-	-	-
Interest Expenses							
	Magrath Properties Private Limited	10.20	13.81	-	-	-	-
	Jitendra Virwani	-	15.86	-	-	-	-
	HDFC Ventures Trustee Company Limited	-	-	-	-	3.79	-
Purchase of shares and debentures							
	Concord India Private Limited	34.61	-	-	-	-	-
	Embassy Real Estate Properties & Holdings Private Limited	-	1.30	-	-	-	-
	DSRK (Holdings) Private Limited	-	100.00	0.05	-	-	-
	Pune Embassy Projects Private Limited	-	-	0.50	0.01	-	-
	Pune Dynasty Projects Private Limited	-	-	0.50	0.01	-	-
	DSRK Holdings(Chennai) Private Limited	-	-	1.95	-	-	-
	Dynasty Stock Holdings Private Limited	-	-	-	-	-	-
	Jitendra Virwani	-	-	-	-	5.40	-
	Mall Ventures	-	-	-	0.05	-	-
	RGE Constructions & Developments Private Limited	-	-	-	202.44	-	-
	Swire Properties	-	-	-	0.05	-	-
	Wild Flowers Estate and Resorts Private Limited	-	-	-	-	-	1.00
	WorldcrownLimited	-	-	-	-	-	162.35
Sale of shares and debentures							
	Embassy Shelters Private Limited	-	-	2.00	-	-	-
	J V Holding Private Limited	-	-	-	-	138.72	-
	Jitendra Virwani	-	-	-	-	0.35	-
	Karan Virwani	-	-	-	-	0.00	-
	Maoj Investments Private Limited	-	-	-	-	18.92	-
	Udhyaman Investments Private Limited	-	-	-	-	2.85	2.85
Business consultancy							

Rs in millions PARTICULARS	ENTITY	For the year ended 31 March 2005	2006	2007	2008	2009	From 1 April 2009 to 28 February 2010
income (including prior period income)							
	Golf Links Software Park Private Limited	248.11	374.09	222.07	28.73	3.43	162.99
	Manyata Promoters Private Limited	-	64.48	114.45	171.84	91.58	90.34
	DSRK (Holdings) Private Limited	-	-	20.00	-	-	-
	Pune Embassy Projects Private Limited	-	-	-	-	30.78	2.41
	Pune Dynasty Projects Private Limited	-	-	-	-	12.31	0.45
	G V Properties Private Limited	-	-	-	-	24.60	2.59
	Umbel Properties Private Limited	-	-	-	-	15.43	8.07
Remuneration from Partnership Firm							
	Magrath Property Developers	0.21	-	-	-	-	-
Purchase of Services							
	Embassy Holdings	2.20	5.44	6.00	-	-	-
	Davis Investments	0.03	-	-	-	-	-
	Embassy Shelters Private Limited	-	0.03	0.10	-	-	-
	Saphire Realtors Private Limited	-	2.40	2.40	-	-	-
	Embassy Services Private Limited	-	0.91	-	-	24.26	-
Share of profit/ (loss) in partnership firm							
	Magrath Property Developers	-	-	-	-	-	-
	Embassy Development Corporation	(0.75)	(0.41)	0.05	(3.94)	-	-
	Embassy Brindavan Developers	-	-	(0.11)	101.92	-	-
	Mall Ventures	-	-	-	0.06	-	-
	Swire Properties	-	-	-	0.02	-	(0.00)
Rental expense							
	Jitendra Virwani	3.91	3.91	3.91	3.91	4.48	3.58
	Karan Virwani	1.26	1.39	1.39	1.39	1.15	1.27
	Neel Virwani	-	1.20	1.20	1.20	1.00	1.10
	Golf Links Software Park Private Limited	-	-	-	-	0.16	0.16
Rental Income							
	Golf Links Embassy Business Park Management	-	-	-	-	-	0.17

Rs in millions PARTICULARS	ENTITY	For the year ended 31 March 2005	2006	2007	2008	2009	From 1 April 2009 to 28 February 2010
	Services Private Limited						
Expenditure incurred on behalf of others							
	Pune Dynasty Projects Private Limited	-	-	-	-	49.42	-
	Embassy ANL Consortium	-	-	-	-	0.46	-
	Embassy Knowledge Infrastructure Projects Private Limited	-	-	-	-	0.27	-
	Embassy Services Private Limited	-	-	-	-	15.31	-
	Embassy Shelters Private Limited	-	-	-	-	-	0.11
	Embassy Housing Finance And Development Private Limited	-	-	-	-	-	11.26
	Dynasty Holdings Private Limited	-	-	-	-	-	10.61
Expenditure incurred on behalf of the Company							
	Mall Ventures	-	-	-	-	47.67	-
	Golf Links Software Park Private Limited	-	-	-	-	1.28	-
	Raffles Square Development Corpn Private Ltd	-	-	-	-	-	0.76
	Vijaygi Investments Private Limited	-	-	-	-	-	6.57
	Dynasty Properties Private Limited	-	-	-	-	-	3.14
Advances given/ (received)/(assigned)							
	Embassy Management Services Private Limited	-	-	-	-	-	-
	Worldcrown Limited	-	-	-	-	-	-
	Embassy Brindavan Developers	-	-	-	(139.59)	-	-
	Magrath Property Developers	-	-	-	(99.94)	-	-
	Embassy Development Corporation	-	-	-	1,138.93	-	-
	More Finanshare Investments Private Limited	-	-	-	-	(54.73)	-
Advances received/ given/ (refunded)/ (recovered) for property acquisition services							
	Concord India Private Limited	115.44	3.71	(1.67)	(71.62)	-	-
	Dynasty Properties Private	110.15	(138.72)	-	-	-	-

Rs in millions PARTICULARS	ENTITY	For the year ended 31 March 2005	2006	2007	2008	2009	From 1 April 2009 to 28 February 2010
	Limited						
	M D Properties Private Limited	(0.24)	23.69	-	-	-	-
	Golf Links Software Park Private Limited	625.46	470.59	53.58	(216.92)	(10.64)	(180.69)
	M D Realtors Private Limited	-	2.31	(1.33)	-	-	-
	Embassy Realtors Private Limited	-	5.91	230.39	(3.69)	-	-
	DSRK Holdings(Chennai) Private Limited	-	-	-	673.13	106.51	(2.31)
	Pune Embassy Projects Private Limited	-	-	-	1,119.48	20.52	-
	Pune Dynasty Projects Private Limited	-	-	-	337.76	-	-
	Manyata Promoters Private Limited	-	-	-	-	20.33	0.31
	K Y Gopi Krishnan	-	-	-	-	0.85	11.85
	Umbel Properties Private Limited	-	-	-	-	(13.62)	(0.79)
Advances paid for services							
	Golf Links Embassy Business Park Management Services Private Limited	-	-	-	-	-	0.60
Advance received for business consultancy services							
	Manyata Promoters Private Limited	-	-	-	-	123.93	-
	Umbel Properties Private Limited	-	-	-	-	23.26	-
Advance paid for services							
	Golf Links Embassy Business Park Management Services Private Limited	-	-	-	-	5.20	-
Sale of assets							
	Pet Properties and Constructions Private Limited	-	51.24	-	-	0.22	-
	Pune Embassy Projects Private Limited	-	-	-	-	276.24	-
	Pune Dynasty Projects Private Limited	-	-	-	-	113.75	-
	Saltire Developers Private Limited	-	-	-	-	-	15.64
	Jitendra Virwani	-	-	-	-	-	149.86
Contract receipts							
	Sudha Sree Hotel Complex	-	7.42	-	-	-	-

Rs in millions PARTICULARS	ENTITY	For the year ended 31 March 2005	2006	2007	2008	2009	From 1 April 2009 to 28 February 2010
	Private Limited						
	K Y Gopi Krishnan	-	-	1.34	-	1.81	-
Project development fees paid							
	Dynasty Properties Private Limited	-	232.18	-	-	-	-
Branding fees paid							
	Embassy Shelters Private Limited	0.05	0.02	-	-	-	-
Bad debts written off							
	Guruprasad Hotels Private Limited	-	-	16.41	-	-	-
Proceeds from sale of rights in properties							
	DSRK Holdings (Chennai) Private Limited	-	-	222.40	-	-	-
Purchase of Undivided rights in land							
	Umbel Properties Private Limited	-	-	2.30	-	-	-
Guarantees given							
	Embassy Knowledge Infrastructure Projects Private Limited	-	-	-	-	183.88	-
	Embassy Management Consultants Private Limited	-	-	-	(18.50)	-	-
	Others	-	-	-	0.09	7.07	-
Lesson income							
	Embassy Knowledge Infrastructure Projects Private Limited	-	-	-	-	0.22	-
	Stonehill Education Foundation	-	-	-	-	-	0.40
Miscellaneous income							
	Pune Embassy Projects Private Limited	-	-	-	-	0.09	-
	Embassy Services Private Limited	-	-	-	-	-	9.05
Royalty expenses							
	Embassy Shelters Private Limited	-	-	-	-	0.01	-
Civil Work (Capitalised)							

Rs in millions		For the year ended 31 March					From 1 April 2009 to 28 February
PARTICULARS	**ENTITY**	**2005**	**2006**	**2007**	**2008**	**2009**	**2010**
	Reddy Veeranna Constructions Private Limited	-	-	-	-	-	12.65
Managerial remuneration	Jitendra Virwani	2.81	2.58	29.87	1.85	56.00	18.29
	KY Gopikrishnan	2.03	2.26	11.17	19.21	65.33	15.27
	Narpat Singh Choraria	2.25	2.25	7.94	13.07	41.01	10.45

ANNEXURE – XVI (CONTINUED)

DETAILS OF RELATED PARTIES OUTSTANDING BALANCES

Rs in millions		As at 31 March					As at 28 February
PARTICULARS	**ENTITY**	**2005**	**2006**	**2007**	**2008**	**2009**	**2010**
Secured loan							
	HDFC Ventures Trustee Company Limited	–	–	–	–	7.94	7.94
Unsecured loan							
	Magrath Properties Private Limited	101.65	158.72	143.06	145.03	99.66	–
	Jitendra Virwani	183.07	19.07	26.00	6.47	124.47	47.48
	DSRK (Holdings) Private Limited	1.05	629.88	549.37	531.67	265.76	263.13
	Vandana Virwani	0.24	–	–	–	–	–
	Swire Investments Private Limited	–	–	1.97	–	–	–
	Saltire Developers Private Limited	–	–	10.30	11.01	–	141.97
	Embassy Construction & Development Private Limited	–	–	0.02	7.06	61.88	9.76
	Dynasty Stock Holdings Private Limited	–	–	2.00	–	–	–
	More Finanshare Investments Private Limited	–	–	–	43.54	158.32	88.80
	Narpat Singh Choraria	–	–	–	–	8.49	8.49
	Brindavan Beverages Private Limited	–	–	–	–	278.98	278.87
	Dynasty International	–	–	–	–	–	–
	Infantry Holdings Private Limited	–	–	–	–	6.85	8.65
	J V Holding Private Limited	–	–	–	–	58.54	167.97
	K J George	–	–	–	–	8.63	8.63
	K J Kurvilla	–	–	–	–	1.01	1.01
	MD Realtors Private Limited	–	–	–	–	66.11	66.11
	Nam Estates Private Limited	–	–	–	0.10	–	–
	Oasis Home Holdings Private Limited	–	–	–	–	2.05	2.15
	Pet Properties and Constructions Private Limited	–	–	–	–	35.50	46.29
	Pune Dynasty Projects Private Limited	–	–	–	1.10	–	–
	Raffles Square Development Corporation Private Limited	–	–	–	–	0.72	–
	Reddy Veeranna	–	–	–	–	18.80	–
	Udhyaman Investments Private Limited	–	–	–	–	9.36	–
	Umbel Properties Private Limited	–	–	–	–	7.90	–
	United Telecom Limited	–	–	–	–	6.30	6.30
Loans given							
	Saphire Realtors Private Limited	–	1.54	–	–	–	–
	Embassy Finvest Private	2.57	162.26	195.54	1.53	–	–

Rs in millions		As at 31 March					As at 28 February
PARTICULARS	ENTITY	2005	2006	2007	2008	2009	2010
	Limited						
	Manyata Promoters Private Limited	–	0.10	–	–	419.36	–
	D M Estates Private Limited	–	–	13.50	23.88	11.94	12.70
	Saphire Realtors Private Limited	–	–	2.94	–	–	–
	Embassy Shelters Private Limited	–	–	2.88	–	–	–
	Sudha Sree Hotel Complex Private Limited	–	–	1.39	–	–	–
	Umbel Properties Private Limited	–	–	0.16	–	–	–
	Dynasty Properties Private Limited	–	–	20.35	–	–	–
	Maoj Investments Private Limited	–	–	0.05	–	–	–
	Pet Properties and Constructions Private Limited	–	–	313.76	–	–	–
	Raffles Square Development Corporation Private Limited	–	–	0.02	–	–	–
	Udhyaman Investments Private Limited	–	–	65.77	–	–	–
	Embassy Knowledge Infrastructure Projects Private Limited	–	–	–	8.83	201.32	269.35
	Embassy Leasing Private Limited	–	–	–	26.20	–	–
	Embassy Home Investments Private Limited	–	–	–	18.45	–	–
	Embassy Constructions & Developments Private Limited	–	–	–	–	–	1.36
	Ditrita Developers Private Limited	–	–	–	–	21.94	–
	Dynasty Holdings Private Limited	–	–	–	–	9.98	–
	Embassy Housing Finance & Development Private Limited	–	–	–	–	11.20	–
	Nam Investments Private Limited	–	–	–	–	2.35	0.29
	Oakwood Developers Private Limited	–	–	–	–	35.04	–
	Swire Investments Private Limited	–	–	–	–	–	–
	Embassy Development Corporation	–	–	–	–	–	80.10
	Reddy Veeranna	–	–	–	–	–	13.56
	Jitendra Virwani	–	–	–	–	–	12.52
	J V Holding Private Limited	–	–	–	–	–	19.55
	Manyata Promoters Private Limited	–	–	–	–	–	355.79
	Laketown Sdn Bhd	–	–	–	–	–	21.50
	Ketara Megah Sdn Bhd	–	–	–	–	–	349.36
	Milan Gateway Sdn Bhd	–	–	–	–	–	0.20
	Joyful Gateway Sdn Bhd	–	–	–	–	–	109.69

Rs in millions PARTICULARS	ENTITY	As at 31 March 2005	2006	2007	2008	2009	As at 28 February 2010
	MKN Holdings Sdn Bhd	–	–	–	–	–	1.21
	Emerald Wonder Sdn Bhd	–	–	–	–	–	0.01
	Azikaf Sdn Bhd	–	–	–	–	–	0.01
Intercorporate deposits							
	More Finanshare Investments Private Limited	–	–	–	–	97.39	97.39
Receivable for sale of shares							
	J V Holding Private Limited	–	–	–	–	120.15	65.09
	Maoj Investments Private Limited	–	–	–	–	37.85	18.92
Receivable for sale of asset							
	Maoj Investments Private Limited	–	–	–	–	50.58	51.55
	Pune Dynasty Projects Private Limited	–	–	–	–	66.33	17.34
	Pune Embassy Projects Private Limited	–	–	–	–	280.35	–
	Vijaygi Investments Private Limited	–	–	–	–	4.20	4.20
Advance given towards jointly developable properties							
	Embassy Real Estate Properties & Holdings Private Limited	–	120.14	330.20	330.23	265.24	265.26
	Nam Estates Private Limited	–	30.55	63.16	24.57	–	–
	Ditrita Developers Private Limited	–	18.54	45.39	49.81	14.30	36.80
	Nam Investments Private Limited	–	–	1.01	22.51	1.01	2.28
	Oakwood Developers Private Limited	–	–	18.47	17.49	17.50	52.56
	Swire Properties	–	–	–	94.19	139.12	39.12
	Embassy Projects Private Limited	–	–	–	39.71	–	–
	Umbel Properties Private Limited	–	–	–	32.03	16.02	20.86
	Swire Investments Private Limited	41.05	–	–	1.62	–	–
Current account balance in partnership firms							
	Magrath Property Developers	21.26	18.74	34.97	16.92	3.01	(41.30)
	Embassy Development Corporation	–	544.36	228.13	795.62	–	–
	Embassy - ANL Consortium	–	7.97	–	173.17	173.76	174.14
	Embassy Brindavan Developers	–	–	2.31	(35.64)	–	–
	Global Façade Solutions	–	–	–	–	–	–

Rs in millions PARTICULARS	ENTITY	As at 31 March 2005	2006	2007	2008	2009	As at 28 February 2010
	Mall Ventures	–	–	–	0.06	–	–
	Swire Properties	–	–	–	94.12	–	–
Guarantees outstanding							
	Embassy Knowledge Infrastructure Projects Private Limited	–	–	–	–	183.88	183.88
Sundry Creditors							
	Embassy Services Private Limited	0.08	0.07	–	–	–	17.26
	Umbel Properties Private Limited	1.23	–	–	–	–	–
	Embassy Holdings	2.10	–	6.36	6.24	5.99	5.89
	Infantry Holdings Private Limited	25.79	–	–	–	–	–
	Davis Investments	0.03	–	–	–	–	–
	Jitendra Virwani	0.27	0.27	0.27	0.76	9.88	7.95
	Karan Virwani	0.22	0.13	0.13	0.32	1.47	2.57
	Neel Virwani	–	0.08	0.08	0.25	1.25	2.20
	Embassy Shelters Private Limited	0.05	0.11	–	–	–	0.08
	Raffles Square Development Corporation Private Limited	–	31.90	–	–	–	0.76
	Embassy Construction & Development Private Limited	–	0.98	–	–	–	–
	Dynasty Stock Holdings Private Limited	–	–	–	–	–	–
	Embassy Brindavan Developers	–	–	–	35.64	3.15	3.15
	Magrath Property Developers	–	–	–	0.32	13.98	–
	MD Realtors Private Limited	–	–	–	2.31	2.92	1.58
	MD Properties Private Limited	–	–	–	18.20	18.20	18.20
	Embassy Management Consultants Private Limited	–	–	–	18.50	–	–
	Mall Ventures	–	–	–	–	47.47	47.47
	Embassy ANL Consortium	–	–	–	–	53.83	–
	Dharmesh Ranka	–	–	–	–	3.70	–
	Dynasty Stock Holdings Private Limited	–	–	–	2.20	–	–
	Embassy Shelters Private Limited	–	–	–	–	0.08	–
	Golf Links Embassy Business Park Management Services Private Limited	–	–	–	–	77.15	33.89
	Golf Links Software Park Private Limited	–	–	–	–	4.85	4.91
	Kanta Ranka	–	–	–	–	3.38	–
	Manish Ranka	–	–	–	–	3.38	–
	Rajeev Ranka	–	–	–	–	3.38	–
	Sanjeev Ranka	–	–	–	–	3.38	–
	Wild Flowers Estate and Resorts Private Limited	–	–	–	–	–	1.00
	Dynasty Properties Private	–	–	–	–	–	3.11

Rs in millions PARTICULARS	ENTITY	As at 31 March 2005	2006	2007	2008	2009	As at 28 February 2010
	Limited						
	Pune Embassy Projects Private Limited	–	–	–	–	–	59.51
	Vijaygi Investments Private Limited	–	–	–	–	–	6.57
Advance received for property acquisition services							
	Concord India Private Limited	115.44	111.72	110.05	38.43	–	–
	Dynasty Properties Private Limited	172.47	–	–	–	–	–
	Golf Links Software Park Private Limited	479.53	714.30	635.01	389.36	184.12	3.43
	Embassy Realtors Private Limited	–	5.91	–	232.61	–	–
	M D Properties Private Limited	–	23.69	24.67	–	–	–
	Embassy Realtors Private Limited	–	–	236.30	–	–	–
	DSRK Holdings(Chennai) Private Limited	–	–	–	50.70	157.21	154.90
	Pune Embassy Projects Private Limited	–	–	–	977.77	395.78	395.78
	K Y Gopi Krishnan	–	–	–	–	10.45	3.10
	Manyata Promoters Private Limited	–	–	–	–	20.33	81.27
Advances given for purchase of land							
	Saphire Realtors Private Limited	91.61	92.03	99.00	101.45	–	–
	Wild Flowers Estate and Resorts Private Limited	–	5.00	134.78	324.78	379.15	54.38
	Umbel Properties Private Limited	–	–	–	–	2.99	–
	Embassy Real Estate Properties & Holdings Private Limited	–	–	–	–	76.70	76.70
	J V Holding Private Limited	–	–	–	–	18.60	–
	Nam Investments Private Limited	–	–	–	–	0.21	–
	K Y Gopi Krishnan	–	–	–	–	–	–
	Udhyaman Investments Private Limited	–	–	–	–	–	22.70
	Pet Properties and Constructions Private Limited	–	–	–	–	–	20.33
Rent Deposit							
	Jitendra Virwani	2.60	2.60	2.60	2.60	2.60	2.60
	Neel Virwani	–	1.00	1.00	1.00	1.00	1.00
Sundry Debtors							
	Sudha Sree Hotel Complex Private Limited	21.60	5.04	–	–	–	–
	Dynasty Stock Holdings	0.63	–	–	–	0.15	–

Rs in millions PARTICULARS	ENTITY	As at 31 March 2005	2006	2007	2008	2009	As at 28 February 2010
	Private Limited						
	G V Properties Private Limited	–	–	–	–	32.95	40.15
	Golf Links Software Parks Private Limited	81.41	228.79	315.95	315.95	315.95	–
	Embassy Knowledge Infrastructure Projects Private Limited	–	–	–	–	–	–
	Manyata Promoters Private Limited	–	17.18	–	–	–	–
	Stonehill Education Foundation	–	–	–	–	0.03	0.17
	Embassy Construction & Development Private Limited	3.41	–	–	–	–	–
	Jitendra Virwani	–	–	–	–	–	22.06
	Umbel Properties Private Limited	–	–	–	–	–	2.75
	Golf Links Embassy Business Park Management Services Private Limited	–	–	–	–	–	0.07
	Classic Investments	–	–	–	–	–	5.11
	Manyata Residency	–	–	–	–	–	43.97
	Saltire Developers Private Limited	–	–	–	–	–	9.97
	Swire Tech Park Project Private Limited	–	–	–	–	–	0.25
Advances recoverable in cash or kind							
	Embassy Services Private Limited	–	–	3.31	3.42	40.96	20.22
	Dynasty Holdings Private Limited	–	–	–	–	0.03	10.61
	Dynasty Properties Private Limited	–	–	–	–	1.00	–
	Ditrita Developers Private Limited	–	–	–	–	–	0.13
	Embassy Construction & Development Private Limited	–	–	–	–	1.44	–
	Embassy Group International	–	–	–	–	0.00	–
	Embassy Housing Finance & Development Private Limited	–	–	–	–	0.26	11.51
	Embassy Knowledge Infrastructure Projects Private Limited	–	–	–	–	0.27	4.60
	Embassy Shelters Private Limited	–	–	–	–	2.94	2.99
	G V Properties Private Limited	–	–	–	–	1.97	–
	Infantry Holdings Private Limited	–	–	–	–	1.72	–
	Jitendra Virwani	–	–	–	–	269.69	0.89
	Manyata Promoters Private Limited	–	–	–	24.81	–	–
	Nam Investments Private Limited	–	–	–	–	0.04	2.31
	Oasis Home Holdings Private	–	–	–	–	0.03	–

Rs in millions		As at 31 March					As at 28 February
PARTICULARS	**ENTITY**	**2005**	**2006**	**2007**	**2008**	**2009**	**2010**
	Limited						
	Pet Properties and Constructions Private Limited	–	51.24	–	–	5.21	–
	R G Lakeside Properties Private Limited	–	–	–	–	0.01	–
	Raffles Square Development Corporation Private Limited	–	–	–	–	0.03	–
	Sudha Sree Hotel Complex Private Limited	–	–	–	–	1.39	–
	Swire Holdings Private Limited	–	–	–	–	0.01	–
	Swire Properties Private Limited	–	–	–	–	0.00	–
	Swire Tech Park Project Private Limited	–	–	–	–	0.24	–
	Saltire Developers Private Limited	–	–	–	–	–	–
	Udhyaman Investments Private Limited	–	–	–	–	2.85	13.52
	Vijaygi Investments Private Limited	–	–	–	–	0.01	–
	DSRK Holdings (Chennai) Private Limited	–	–	622.42	–	–	–
	Magrath Properties Private Limited	–	–	–	–	–	1.49
	Reddy Veeranna Construction Private Limited	–	–	–	–	–	–
	Others	–	–	–	4.38	–	–
Advance received for business consultancy services							
	Manyata Promoters Private Limited	–	–	–	–	5.55	0.36
	Umbel Properties Private Limited	–	–	–	–	7.83	–
Advance for services							
	Golf Links Embassy Business Park Management Services Private Limited	–	–	–	–	11.50	12.10
Capital advances							
	Reddy Veeranna Constructions Private Limited	–	–	–	–	18.93	46.15
	Printers India	–	–	–	–	38.24	38.24

Share application money pending allotment							
	Altavista Investment Limited	–	–	–	444.62	–	–
Application money for allotment of debentures							
	Span Ventures Private Limited	–	–	–	–	85.72	–
Receivable on account of Demerger							
	Polywood Properties Private Limited	–	–	–	–	–	13.90
	LJ Victoria Properties Private Limited	–	–	–	–	–	2.35
	Starwood Properties Private Limited	–	–	–	–	–	111.28

Notes:

1 The figures disclosed above are based on the Restated Consolidated Summary Statements of Embassy Property Developments Limited..

2 Above disclosures are made in accordance with Accounting Standard (AS) 18 "Related Parties" prescribed by the Companies (Accounting Standards) Rules, 2006.

UNCONSOLIDATED FINANCIAL INFORMATION

B S R and Co.
No 11-12/1, Maruti
Infotech Centre
Inner Ring Road
Koramangala
Bangalore - 560071

Auditors' Report

The Board of Directors
Embassy Property Developments Private Limited (formerly known as Dynasty Developers Private Limited)

We have examined the attached restated financial information of Embassy Property Developments Private Limited ('EPDPL' or 'the Company'), as approved by the Board of Directors of the Company, prepared in terms of the requirements of Paragraph B, Part II of Schedule II to the Companies Act, 1956, as amended ('the Act') and the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended (the 'SEBI Regulations'), the Guidance note on 'Reports in Company's Prospectus (Revised) issued by the Institute of Chartered Accountants of India ('ICAI'), to the extent applicable ('Guidance Note') and in terms of our engagement agreed upon with you in accordance with our engagement letter dated 11 December 2009 in connection with the proposed issue of equity shares of the Company.

These information have been extracted by the Management from the financial statements for the years ended 31 March 2005, 2006, 2007, 2008 and 2009 and for the eleven months period ended 28 February 2010. Audit of the financial statements for the years ended 31 March 2005, 2006, 2007 and 2008 was conducted by M/s K.S. Sanghvi & Co, whose reports have been furnished to us and accordingly relied upon by us. The financial statements for the year ended 31 March 2009 and for the eleven month period ended 28 February 2010 have been audited by us.

In accordance with the requirements of Paragraph B, Part II of Schedule II of the Act, the SEBI Regulations and the terms of our engagement agreed with you, we further report that:

(a) The Restated Summary Statement of assets and liabilities of the Company as at 31 March 2005, 2006, 2007, 2008, 2009 and as at 28 February 2010 examined by us, as set out in Annexure I to this report read with the significant accounting policies in Annexure V are after making such adjustments and regroupings as in our opinion are appropriate and more fully described in Notes to the Restated Summary Statements enclosed as Annexure IV to this report.

(b) The Restated Summary Statement of profits and losses of the Company for the years ended 31 March 2005, 2006, 2007, 2008, 2009 and for the eleven month period ended 28 February 2010 are as set out in Annexure II to this report read with the significant accounting policies in Annexure V are after making such adjustments and regroupings as in our opinion are appropriate and more fully described in Notes to the Restated Summary Statements enclosed as Annexure IV to this report.

(c) Based on the above, we are of the opinion that the restated financial information have been made after incorporating:

v. Adjustments for the changes in accounting policies retrospectively in respective financial years / period to reflect the same accounting treatment as per the changed accounting policy for all the reporting periods.

vi. Qualifications in the auditor's report, which require adjustments to the Restated Consolidated Summary Statements.

vii. Adjustments for prior period and other material amounts in the respective financial years/ period to which they relate.

viii. And there are no extra-ordinary items that need to be disclosed separately in the accounts.

(d) We have also examined the following financial information as set out in Annexures prepared by the Management and approved by the Board of Directors relating to the Company for the years ended 31 March 2005, 2006, 2007, 2008, 2009 and for the eleven months period ended 28 February 2010.

i. Annexure III containing statement of cash flows, as restated;

ii. Annexure VI containing details of dividend;

iii. Annexure VII containing statement of accounting ratios, as restated;

iv. Annexure VIII containing details of other income, as restated;

v. Annexure IX containing details of secured loans, as restated;

vi. Annexure X containing details of unsecured loans, as restated;

vii. Annexure XI containing details of investments; as restated;

viii. Annexure XII containing details of sundry debtors; as restated;

ix. Annexure XIII containing details of current assets and loans and advances; as restated;

x. Annexure XIV containing details of contingent liabilities, as restated;

xi. Annexure XV containing capitalisation statement as at 28 February 2010;

xii. Annexure XVI containing details of the related parties, transactions and balances outstanding with them; and

xiii. Annexure XVII containing statement of tax shelter.

In our opinion, the above financial information contained in Annexure I to XVII of this report read along with the significant accounting policies (Refer Annexure V) and Notes to the Restated Summary Statements (Refer Annexure IV) are prepared after making adjustments and regrouping as considered appropriate and have been prepared in accordance with Paragraph B, Part II of Schedule II of the Act and the SEBI Regulations.

Our report is intended solely for use of the Management and for inclusion in the draft offer document in connection with the proposed issue of equity shares of the Company. Our report should not to be used, referred to or distributed for any other purpose without our written consent.

for **B S R and Co.**
Chartered Accountants

Zubin Shekary
Partner
Membership No: 48814
Firm Registration No: 128510W

Place : Bangalore
Date : 2 June 2010

ANNEXURE—I

STATEMENT OF ASSETS AND LIABILITIES, AS RESTATED

(Rs in millions)	As at 31 March					As at 28 February
PARTICULARS	**2005**	**2006**	**2007**	**2008**	**2009**	**2010**
1. FIXED ASSETS :						
a) Gross block	35.88	268.32	948.11	634.44	1,048.43	3,177.81
b) Less : Accumulated depreciation	9.83	22.21	92.28	79.10	83.80	49.54
c) Net block	26.05	246.11	855.83	555.34	964.63	3,128.27
d) Capital work-in-progress including capital advances	324.60	431.00	329.67	2,620.71	881.63	249.12
Total	**350.65**	**677.11**	**1,185.50**	**3,176.05**	**1,846.26**	**3,377.39**
2. INVESTMENTS	**9.97**	**130.68**	**259.50**	**508.23**	**13,038.90**	**13,458.71**
3. DEFERRED TAX ASSET (net)	**–**	**–**	**–**	**–**	**–**	**18.88**
4. CURRENT ASSETS, LOANS AND ADVANCES :						
a) Inventories (including contract work-in-progress)	42.21	366.33	354.66	399.32	2,076.96	377.50
b) Sundry debtors	147.19	261.50	323.83	607.07	479.75	217.83
c) Cash and bank balances	33.82	123.91	422.12	262.29	237.42	98.82
d) Current assets, loans and advances	1,819.62	3,546.70	4,070.35	4,373.52	5,090.20	3,402.82
Total	**2,042.84**	**4,298.44**	**5,170.96**	**5,642.20**	**7,884.33**	**4,096.97**
5. LIABILITIES AND PROVISIONS :						
a) Secured loans	281.33	1,860.52	2,178.72	3,683.11	2,767.51	2,141.80
b) Unsecured loans	301.06	810.41	733.61	748.78	1,300.35	1,112.05
c) Current liabilities and provisions	1,668.48	2,103.17	3,114.21	4,052.40	4,651.79	3,836.91
d) Deferred tax liability (net)	25.24	70.21	73.45	124.90	77.92	–
Total	**2,276.11**	**4,844.31**	**6,099.99**	**8,609.19**	**8,797.56**	**7,090.76**
6. NET WORTH (1 + 2 + 3 + 4 - 5)	**127.35**	**261.92**	**515.97**	**717.29**	**13,971.93**	**13,861.19**
NET WORTH REPRESENTED BY						
7. SHARE CAPITAL						
Equity share capital	25.59	25.59	25.59	25.59	25.59	25.59
8. RESERVES AND SURPLUS						
General reserve	–	–	–	–	12,932.20	12,921.76
Balance in profit and loss account	101.76	236.33	490.38	691.70	1,014.14	913.84
9. NET WORTH (7 + 8)	**127.35**	**261.92**	**515.97**	**717.29**	**13,971.93**	**13,861.19**

Note:

1 The above statement should be necessarily read with notes to Restated Summary Statements and the significant accounting policies as appearing in Annexures IV and V.

ANNEXURE - II

STATEMENT OF PROFIT AND LOSS ACCOUNT, AS RESTATED

(Rs in millions)	For the year ended 31 March					From 1 April 2009 to 28 February
PARTICULARS	**2005**	**2006**	**2007**	**2008**	**2009**	**2010**
INCOME :						
Income from operations						
- Proceeds from sale of land and constructed properties	94.77	11.52	430.81	297.16	454.48	684.47
- Gain on sale of leased property	–	–	–	105.73	573.97	4.47
- Revenue from construction contracts	101.10	219.55	–	–	–	–
- Facility rental income	42.77	77.91	139.54	167.90	179.46	13.74
- Business consultancy income	248.11	438.57	356.52	236.72	300.22	181.02
- Share of profit in partnership firms	0.57	(0.15)	26.34	109.02	0.56	29.94
Other income	11.28	14.48	34.50	124.08	123.98	6.40
Total	**498.60**	**761.88**	**987.71**	**1,040.61**	**1,632.67**	**920.04**
EXPENDITURE :						
Cost of inventories sold	214.57	211.21	–	66.48	75.42	170.51
Operating and administrative expenses	113.22	193.59	418.75	380.93	713.70	565.29
Interest and finance charges	30.98	145.00	151.97	232.51	296.90	306.07
Depreciation	4.05	13.55	70.07	58.30	52.66	12.66
Total	**362.82**	**563.35**	**640.79**	**738.22**	**1,138.68**	**1,054.53**
Profit before tax	**135.78**	**198.53**	**346.92**	**302.39**	**493.99**	**(134.49)**
Less: Provision for tax						
a) Current tax	20.71	17.68	87.59	46.50	215.25	62.65
b) Fringe benefit tax	–	1.32	2.05	3.11	3.23	–
c) Deferred tax charge/ (credit)	22.84	44.96	3.23	51.46	(46.93)	(96.84)
Total	**43.55**	**63.96**	**92.87**	**101.07**	**171.55**	**(34.19)**
Profit after tax, as restated	**92.23**	**134.57**	**254.05**	**201.32**	**322.44**	**(100.30)**
Add: Balance in profit and loss account brought forward, as restated	9.53	101.76	236.33	490.38	691.70	1,014.14
Amount available for appropriation	**101.76**	**236.33**	**490.38**	**691.70**	**1,014.14**	**913.84**
Appropriations						
a) Dividend	–	–	–	–	–	–
b) Tax on dividend	–	–	–	–	–	–
c) Bonus shares issued by capitalization of profits	–	–	–	–	–	–
Balance carried forward to balance sheet, as restated	**101.76**	**236.33**	**490.38**	**691.70**	**1,014.14**	**913.84**

Note:

1 The above statement should be necessarily read with notes to Restated Summary Statements and the significant accounting policies as appearing in Annexures IV and V.

ANNEXURE - III

STATEMENT OF CASH FLOWS, AS RESTATED

(Rs in millions)	For the year ended 31 March					From 1 April 2009 to 28 February
PARTICULARS	**2005**	**2006**	**2007**	**2008**	**2009**	**2010**
A) Cash flow from operating activities						
Net profit/(loss) before tax, as restated	135.78	198.53	346.92	302.39	493.99	(134.49)
Adjustments for:						
Depreciation	4.05	13.55	70.07	58.30	52.66	12.66
Interest paid	30.98	145.00	151.97	232.51	293.13	296.97
Dividend income	–	(0.72)	–	(2.14)	(1.31)	(0.63)
Interest income	(0.07)	(3.17)	(7.90)	(102.91)	(99.83)	(4.84)
Profit on sale of shares	–	–	–	(10.62)	–	–
Profit on sale of fixed assets	–	–	–	(105.73)	(573.97)	(4.47)
Bad debts written off	–	–	–	–	73.78	–
Provision for doubtful advances	–	–	–	–	103.73	–
Provision for diminution in value of investments	–	–	13.98	1.32	5.78	–
Share of profit from partnership firm	–	–	–	–	–	(29.94)
Unrealized foreign exchange loss / (gain)	–	–	–	–	(6.97)	(0.88)
Operating profit before changes in working capital	**170.74**	**353.19**	**575.04**	**373.12**	**340.99**	**134.38**
Decrease / (increase) in inventories	73.43	(324.12)	11.67	(44.67)	61.54	(89.54)
Decrease / (increase) in sundry debtors	(99.34)	(114.31)	(62.33)	(283.24)	56.14	244.70
Decrease / (increase) in other current assets	(40.01)	(555.27)	299.71	(945.85)	558.29	1,190.97
Decrease / (increase) in loans and advances	(1,157.50)	(1,191.26)	(767.50)	665.37	(256.90)	520.89
Increase / (decrease) in current liabilities	1,186.76	446.65	992.92	681.55	(614.73)	(771.41)
Increase / (decrease) in provisions	(1.95)	(11.64)	1.18	0.75	9.45	(16.64)
Cash outflow from operating activities	132.13	(1,396.76)	1,050.70	447.03	154.78	1,213.34
Adjustments for:						
Income taxes paid	(37.37)	0.12	(145.50)	(72.30)	(101.92)	(82.18)
Net cash generated / (used) from operating activities [A]	**94.76**	**(1,396.64)**	**905.21**	**374.73**	**52.86**	**1,131.17**
Cash flow from investing activities						
Purchase of fixed assets	(195.40)	(340.14)	(561.52)	(2,178.38)	(74.00)	(155.43)
Proceeds from sale of fixed assets	0.27	0.13	–	478.28	44.54	41.66
Advance received for sale of assets	–	–	–	–	654.80	–
Sale / (purchase) of investments, net	(2.42)	(120.70)	(142.80)	(239.43)	(151.30)	(419.81)
Interest received	0.07	3.17	7.90	102.91	99.73	4.84
Dividends received	–	0.72	–	2.14	1.31	0.63
Net cash generated / (used) from investing activities [B]	**(197.49)**	**(456.82)**	**(696.42)**	**(1,834.49)**	**575.07**	**(528.12)**
Cash flow from financing activities:						
Secured loans from banks and financial institutions received/(repaid)	143.62	1,579.19	318.21	1,504.39	(189.89)	(454.46)
Loans (given) / recovered	–	–	–	–	(161.41)	(42.44)
Unsecured loans received/(repaid)	22.50	509.35	(76.80)	15.17	(30.92)	(188.30)
Interest paid	(30.98)	(145.00)	(151.97)	(219.63)	(300.90)	(297.59)
Net cash generated / (cash) from financing activities [C]	**135.14**	**1,943.55**	**89.43**	**1,299.93**	**(683.12)**	**(982.78)**

(Rs in millions)	For the year ended 31 March					From 1 April 2009 to 28 February
PARTICULARS	**2005**	**2006**	**2007**	**2008**	**2009**	**2010**
Net Increase / (decrease) in cash and cash equivalents [A+B+C]	**32.42**	**90.09**	**298.22**	**(159.83)**	**(55.18)**	**(379.74)**
Cash and cash equivalents at the beginning of the year / period	1.40	33.82	123.91	422.12	262.29	207.34
Cash acquired pursuant to merger	–	–	–	–	0.23	–
Cash and cash equivalents at the end of the year / period	**33.82**	**123.91**	**422.12**	**262.29**	**207.34**	**(172.39)**
Cash and cash equivalents comprise:						
Cash and bank balances	33.82	123.91	422.12	262.29	237.42	98.82
Book overdraft	–	–	–	–	(30.08)	(271.21)
	33.82	**123.91**	**422.12**	**262.29**	**207.34**	**(172.39)**

Note:

1 The cash flow statement has been prepared under the indirect method as set out in Accounting Standard - 3 on Cash Flow Statements as prescribed under by the Companies (Accounting Standards) Rules, 2006.

The above statement should be necessarily read with notes to Restated Summary Statements and the significant accounting policies as appearing in Annexures IV and V.

ANNEXURE - IV

NOTES TO RESTATED SUMMARY STATEMENTS

A) IMPACT ON PROFIT / LOSSES DUE TO RESTATEMENT

(Rs in millions)	For the year ended 31 March					From 1 April 2009 to 28 February
PARTICULARS	**2005**	**2006**	**2007**	**2008**	**2009**	**2010**
Profit after tax as per audited profit and loss account	**47.23**	**39.37**	**208.35**	**185.42**	**407.14**	**108.24**
Adjustments on account of:						
A) Prior period items (refer note A):						
Revenue/ Income						
a) Management fees	–	17.18	(17.18)	36.15	(36.15)	–
b) Rental income	–	–	–	(29.00)	29.00	–
Expenditure						
c) Income tax	0.74	(1.75)	(10.98)	13.64	11.04	–
d) Employee costs	–	–	–	(11.15)	11.15	–
e) Leave encashment	(0.41)	(0.25)	(2.09)	(7.84)	10.59	–
f) Write down of inventories	–	(18.47)	–	(1.56)	20.02	–
g) Others	(4.54)	0.76	–	(0.03)	–	–
B) Change in accounting policies (refer note B)						
1) Employee benefits - Gratuity	4.38	(1.16)	0.12	–	–	–
2) Impact of change in method of depreciation	0.29	8.88	8.39	8.67	(27.70)	–
C) Other Material adjustments (refer note C)						
1) Revenue recognition - Revenue from construction contracts	13.45	(32.91)	9.89	–	–	–
2) Write down of inventories	(27.59)	24.95	–	2.65	–	–
3) Loss for the year of entities merged with the Company based on high court approval	–	–	–	–	(97.44)	–
4) Business consultancy income	81.40	147.39	87.14	–	–	(315.95)
Deferred tax impact on restatement adjustments	(22.72)	(49.42)	(29.59)	4.37	(5.21)	107.41
Net profit / (loss) post restatement adjustments	**92.23**	**134.57**	**254.05**	**201.32**	**322.44**	**(100.30)**

Notes on adjustments for Restated Summary Statements

A) Prior period items

Prior period items classified separately in the audited financial statements for the years ended 31 March 2005, 31 March 2006, 31 March 2007, 31 March 2008 and 31 March 2009 have been appropriately adjusted, in the Restated Summary Statements, to the results of the respective year/ period to which these items pertain with a corresponding restatement of the respective assets/ liabilities.

B) Change in accounting policies

1) The Company has adopted the provisions of Accounting Standard 15 - Revised with effect from 1 April 2008 being the applicable date of the revised standard. For the purpose of Restated Summary Statements, impact of the provisions of this revised standard has been recomputed by an independent actuary and has been appropriately adjusted in the results for the years ended 31 March 2005, 2006 and 2007.

2) Effective 1 April 2009, the Company has changed the method of computing depreciation from written down value method to straight line method. The impact of change in the method of depreciation from written down value method to straight line method has been adjusted in the relevant years in the preparation of the Restated Summary Statements.

C) Other Material adjustments

1) Revenue recognition - Revenue from construction contracts

During the years ended 31 March 2005, 2006 and 2007, revenues from construction contracts were recognized using certain principles of Accounting Standard 9 and certain principles of Accounting Standard 7 which resulted in using a combination of both the standards. For the purpose of Restated Summary Statements, revenues and costs of construction contracts have been recognized on a percentage completion method in accordance with the requirements of Accounting Standard 7 and have been adjusted in the respective years.

2) Write down of inventories

The Company incurred certain costs towards development of proposed projects during the year ended 31 March 2005 which were recorded and valued as inventories. In the subsequent years, due to certain reasons the projects were called off and inventories were written off. For the purpose of the Restated Summary Statements, costs have been debited to the profit and loss account in the years when such costs were incurred.

3) Loss for the year of entities merged with the Company based on high court approval - Merger of Embassy Finvest Private Limited, Narpat Holdings Private Limited, Embassy Home Investments Private Limited, Embassy Realtors Private limited, Embassy Leasing Private Limited, Dynasty Stock Holdings Private Limited and Embassy Management Consultants Private Limited with the Company

On 25th January 2010, the High Court of Karnataka approved a scheme of arrangement/merger between the Company and seven of its 100% subsidiaries namely, Embassy Finvest Private Limited, Narpat Holdings Private Limited, Embassy Home Investments Private Limited, Embassy Realtors Private limited, Embassy Leasing Private Limited, Dynasty Stock Holdings Private Limited and Embassy Management Consultants Private Limited (collectively referred as 'amalgamating entities'). The appointed date of the merger as per the scheme is 1 April 2008. Since the approval is dated 25 January 2010, the merger will be given effect to in the financials statements for the year ended 31 March 2010. However, for the purpose of Restated Summary Statements, the merger has been effected as at 1 April 2008 and accordingly, a losses amounting to Rs 97.44 million of the amalgamating entities for the year ended 31 March 2009 has been recorded in the Restated Financial Statements for the year ended 31 March 2009.

4) Management fees

During the period ended 28th February 2010, the Company has recognized revenues of Rs 315.9 million towards business consultancy rendered to one of its clients (also a joint venture entity). This income pertains to additional claims, raised by the Company and agreed by the client, in the current period for services rendered during the years ended 31 March 2005, 2006 and 2007. For the purpose of Restated Summary Statements, this revenue has been allocated and recognised in the respective years to which they pertain.

Deferred tax impact on above restatement adjustments

Represents the deferred tax impact on above restatement adjustments.

Material regroupings

Year ended 31 March 2005

1. Buildings amounting to Rs 180.3 million was classified as investments in the financial statements as at 31 March 2005. For the purpose of the Restated Summary Statements the amount has been reclassified as capital work in progress.
2. Buildings under construction amounting to Rs 144.2 million was classified as Inventories as at 31 March 2005. For the purpose of the Restated Summary Statements the amount has been reclassified as capital work in progress.

Year ended 31 March 2006

1. Buildings under construction amounting to Rs 175.73 million was classified as Inventories as at 31 March 2006. For the purpose of the Restated Summary Statements the amount has been reclassified as capital work in progress.
2. Borrowings amounting to Rs 629.8 million was classified as current liabilities. For the purpose of the Restated Summary Statements the amount has been reclassified as unsecured loans.

Year ended 31 March 2007

1. Buildings under construction amounting to Rs 286.1 million was classified as Inventories as at 31 March 2007. For the purpose of the Restated Summary Statements the amount has been reclassified as capital work in progress.
2. Borrowings amounting to Rs 563.6 million was classified as current liabilities. For the purpose of the Restated Summary Statements the amount has been reclassified as unsecured loans.

Year ended 31 March 2008

1. Borrowings amounting to Rs 600.3 million was classified as current liabilities. For the purpose of the Restated Summary Statements the amount has been reclassified as unsecured loans.
2. Capital advances amounting to Rs 318.2 million was classified as advances recoverable in cash or in kind as at 31 March 2008. For the purpose of the Restated Summary Statements the amount has been reclassified as capital work in progress.

ANNEXURE – IV (CONTINUED)

NOTES TO RESTATED SUMMARY STATEMENTS:

B) AUDITORS QUALIFICATIONS

Auditors qualifications which have been given effect to in the restated financial statements

For the year ended 31 March 2006

a. During the year ended 31 March 2006, the Company had claimed Rs l8.20 million by way of re-imbursement of certain expenditure from another company which the other company has accepted. However, the company has not recognized the revenue in this respect, and therefore, the profit and receivables to that extent are understated. These revenues have been treated as prior period income in the audited results for the year ended 31 March 2007.

   Management's comments - For the purpose of Restated Summary Statements, these revenues have been appropriately recorded as income for the year ended 31 March 2006.

Auditors' qualifications which do not require any adjustment

Audit qualifications which do not require any corrective adjustment in the financial information are as follows:

For the year ended 31 March 2007 and 2008

a. During the years ended 31 March 2007 and 2008, the Company was unable to produce share certificate for investments in Ojas Industrial Private Limited of Rs 31 million for verification of the auditor as it was claimed to be lying in the safe custody of a lawyer.

   Management's comments - The said investments was sold by the Company during the year ended 31 March 2009.

b. During the year 2007 and 2008, the Company was unable to obtain confirmation of balances in party accounts.

   Management's comments - The Company has provided the necessary confirmation of balances during the audit for the year ended 31 March 2009.

c. During the year 2008, the Company was unable to provide documents in respect of advance of Rs 324.70 million made to Wildflower Estates & Resorts Private Limited.

   Management's comments - Agreement evidencing advance of Rs 324.70 million to Wildflower Estates & Resorts Private Limited was made available for the auditor's verification during the audit for the year ended 31 March 2009.

ANNEXURE - IV (CONTINUED)

NOTES TO RESTATED SUMMARY STATEMENTS:

C) SEGMENT REPORTING

The Company's operations predominantly relate to real estate development and allied activities. The primary business segments of the Company are:

Segment	Principle activities
Trade, development and sale of properties	Includes sale of under-construction commercial office space, development rights, lands, ownership rights and sale of leased property
Real estate consultancy	Property development management and specialized consultancy
Leasing	Lease of commercial office space
Partnership ventures	Investment in partnership ventures which are involved in real estate development

The Company operates only in India and hence does not have any secondary business segments.

Accounting policies consistently used in the preparation of the financial statements are also applied to record revenue and expenditure in individual segments.

Assets, liabilities, revenues and direct expenses in relation to segments are categorized based on items that are individually identifiable to that segment, while other items, wherever allocable, are apportioned to the segments on an appropriate basis. Certain items are not specifically allocable to individual segments as the underlying services are used interchangeably. The Company, therefore, believes that it is not practicable to provide segment disclosures relating to such items, and accordingly such items are separately disclosed as unallocated.

Fixed assets of the Company are located only in India.

Primary segment information:

(Rs in millions)	For the year ended 31 March					From 1 April 2009 to 28 February
PARTICULARS	**2005**	**2006**	**2007**	**2008**	**2009**	**2010**
Segment revenue						
Trade, development and sale of properties	195.87	231.07	430.81	402.89	1,028.45	688.94
Real estate consultancy	248.11	438.57	356.52	236.72	300.22	181.02
Leasing	42.77	77.91	139.54	167.90	179.46	13.74
Income from partnership ventures	0.57	(0.15)	26.34	109.02	0.56	29.94
	487.32	**747.40**	**953.21**	**916.52**	**1,508.69**	**913.64**
Segment profit / (loss)						
Trade, development and sale of properties	(22.15)	(1.26)	254.31	171.63	570.87	177.29
Real estate consultancy	244.26	431.47	339.66	201.43	201.85	94.72
Leasing	40.53	70.53	58.26	96.09	103.69	8.26
Income from partnership ventures	0.57	(0.15)	26.34	109.02	0.56	29.94
	263.21	**500.59**	**678.57**	**578.17**	**876.97**	**310.21**
Other unallocable expenditure, net of unallocable income	127.43	302.06	331.65	275.78	382.98	444.70
Profit before tax	**135.78**	**198.53**	**346.92**	**302.39**	**493.99**	**(134.49)**
Income taxes						
- current tax	20.71	17.68	87.59	46.50	215.25	62.65
- deferred tax charge/ (credit)	22.84	44.96	3.23	51.46	(46.93)	(96.84)
- fringe benefit tax	–	1.32	2.05	3.11	3.23	–
	43.55	**63.96**	**92.87**	**101.07**	**171.55**	**(34.19)**
Profit after tax	**92.23**	**134.57**	**254.05**	**201.32**	**322.44**	**(100.30)**
Segment assets						
Trade, development and sale of properties	1,283.05	1,650.85	2,052.95	3,105.35	9,877.72	6,877.92
Real estate consultancy	81.41	245.98	315.95	376.91	394.84	98.62
Leasing	328.82	609.85	939.67	2,995.53	9,930.58	11,433.83
Partnership ventures	47.44	708.11	408.40	1,255.32	704.48	449.32
Corporate – unallocated	662.74	1,891.44	2,898.99	1,593.37	1,861.87	2,092.26
	2,403.46	**5,106.23**	**6,615.96**	**9,326.48**	**22,769.49**	**20,951.95**
Segment liabilities						
Trade, development and sale of properties	1,065.64	1,478.96	1,711.80	2,921.80	3,494.71	1,980.88
Real estate consultancy	2.10	–	6.36	–	29.67	0.54
Leasing	34.58	115.97	124.11	2,913.00	1,720.98	993.41
Partnership ventures	–	–	–	–	–	–
Corporate – unallocated	1,173.79	3,249.38	4,257.73	2,774.40	3,552.22	4,115.94
	2,276.11	**4,844.31**	**6,100.00**	**8,609.20**	**8,797.57**	**7,090.77**
Depreciation charge for the year / period						
Trade, development and sale of properties	–	–	–	–	–	–
Real estate consultancy	–	–	–	–	–	–
Leasing	0.03	5.72	59.41	46.36	16.15	4.24
Partnership ventures	–	–	–	–	–	–
Corporate – unallocated	4.02	7.83	10.66	11.94	36.51	8.42
	4.05	**13.55**	**70.07**	**58.30**	**52.66**	**12.66**
Capital expenditure (including capital work in progress)						

(Rs in millions)	For the year ended 31 March					From 1 April 2009 to 28 February
PARTICULARS	**2005**	**2006**	**2007**	**2008**	**2009**	**2010**
Trade, development and sale of properties	–	–	–	–	–	–
Real estate consultancy	–	–	–	–	–	–
Leasing	195.40	340.14	561.52	2,280.27	249.12	41.21
Partnership ventures	–	–	–	–	–	–
Corporate – unallocated	–	–	–	60.97	–	–
	195.40	**340.14**	**561.52**	**2,341.24**	**249.12**	**41.21**

ANNEXURE - IV (CONTINUED)

NOTES TO RESTATED SUMMARY STATEMENTS:

D) CONTRACT ACCOUNTING

The following details pertain to contracts in progress at the year end in accordance with the requirements of Accounting Standard - 7.

(Rs in millions)	As at 31 March					As at 28 Feb
PARTICULARS	**2005**	**2006**	**2007**	**2008**	**2009**	**2010**
Aggregate amount of costs incurred and recognized profits up to reporting date	78.08	242.58	–	–	–	–
Advances received	74.33	–	–	–	–	–
Retention amount	–	–	–	–	–	–
Gross amount due to customers	74.33	–	–	–	–	–
Gross amount due from customers	23.02	–	–	–	–	–

ANNEXURE - IV (CONTINUED)

NOTES TO RESTATED SUMMARY STATEMENTS:

E) LEASES

Assets taken on cancellable operating lease

The Company has taken on lease office facilities under cancellable operating lease agreements. The Company intends to renew such leases in the normal course of its business. Total expense under operating leases amounted to the following:

(Rs in millions)	For the year ended 31 March					From 1 April 2009 to 28 February
PARTICULARS	**2005**	**2006**	**2007**	**2008**	**2009**	**2010**
Lease rental expense	21.53	10.51	10.01	17.53	12.76	11.73

Future minimum rentals under assets given on non-cancellable operating lease

The following are the minimum lease payments receivable from assets given under non cancellable operating leases:

(Rs in millions)	As at 31 March					As at 28 Feb
PARTICULARS	**2005**	**2006**	**2007**	**2008**	**2009**	**2010**
Not later than one year	53.88	56.95	164.03	55.11	41.41	7.99
Later than one year and not later than five years	154.34	102.26	374.48	166.73	87.43	5.99
Later than five years	–	–	–	–	–	
Total	208.22	159.21	538.51	221.84	128.84	13.98

The following assets have been leased out to lessees under operating lease arrangements:

As at 28 February 2010

Asset category	Gross block	Accumulated depreciation	Net block	Depreciation for the period
Land	–	–	–	–
Land held under joint development	342.65	–	342.65	–
Building	462.31	2.21	460.10	1.89
Plant and machinery	131.06	1.94	129.12	1.52
Electrical equipment	52.54	0.55	51.99	0.55
Furniture and fixtures	3.35	0.66	2.69	0.28
Total	**991.91**	**5.36**	**986.55**	**4.24**

As at 31 March 2009

Asset category	Gross block	Accumulated depreciation	Net block	Depreciation for the year
Land	13.82	–	13.82	–
Land held under joint development	621.66	–	621.66	–
Building	276.39	42.33	234.06	15.41
Plant and machinery	5.49	1.00	4.49	0.37
Furniture and fixtures	5.50	1.03	4.47	0.37
Total	**922.86**	**44.36**	**878.50**	**16.15**

As at 31 March 2008

Asset category	Gross block	Accumulated depreciation	Net block	Depreciation for the year
Land	28.28	–	28.28	–
Building	320.39	42.51	277.88	45.63
Plant and machinery	44.76	0.63	44.13	0.37
Furniture and fixtures	5.50	0.66	4.84	0.37
Total	**398.93**	**43.80**	**355.13**	**46.37**

As at 31 March 2007

Asset category	Gross block	Accumulated depreciation	Net block	Depreciation for the year
Land	–	–	–	–
Building	667.02	64.62	602.40	59.15
Plant and machinery	5.49	0.27	5.22	0.11
Furniture and fixtures	5.50	0.30	5.20	0.14
Total	**678.01**	**65.19**	**612.82**	**59.40**

As at 31 March 2006

Asset category	Gross block	Accumulated depreciation	Net block	Depreciation for the year
Land	–		–	–
Building	180.36	5.46	174.90	5.46
Plant and machinery	1.68	0.16	1.52	0.11
Furniture and fixtures	2.14	0.15	1.99	0.14
Total	**184.18**	**5.77**	**178.41**	**5.71**

As at 31 March 2005

Asset category	Gross block	Accumulated depreciation	Net block	Depreciation for the year
Land	–	–	–	–
Building	–	–	–	–
Plant and machinery	1.68	0.04	1.64	0.02
Furniture and fixtures	2.14	0.01	2.13	0.01
Total	**3.82**	**0.05**	**3.77**	**0.03**

ANNEXURE - IV (CONTINUED)

NOTES TO RESTATED SUMMARY STATEMENTS:

F) GRATUITY

The Company's gratuity plan is a defined benefit plan. The present value of gratuity obligation under such defined benefit plans is determined based on actuarial valuation carried out by an independent actuary using the Projected Unit Credit Method, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measure each unit separately to build up the final obligation. The obligation is measured at the present value of estimated future cash flows. The discount rates used for determining the present value of obligation under defined benefit plans, is based on the market yields on Government securities as at the balance sheet date, having maturity periods approximating to the terms of related obligations. Actuarial gains and losses are recognized immediately in the profit and loss account. Gains or losses on the curtailment or settlement of any defined benefit plan are recognized when the curtailment or settlement occurs.

Rs in millions	2005	2006	2007	2008	2009	2010
Obligations at beginning of the year	1.90	1.54	1.60	(2.13)	3.81	4.44
Service cost	(0.36)	–	0.16	1.82	1.10	1.10

Rs in millions	2005	2006	2007	2008	2009	2010
Interest on defined benefit obligation	–	0.10	0.13	0.23	0.27	0.29
Benefits settled	–	0.11	–	(0.23)	–	–
Actuarial (gain)/loss	–	(0.15)	0.24	(0.14)	(0.73)	(0.61)
Obligations at year end	**1.54**	**1.60**	**2.13**	**(3.81)**	**4.44**	**5.22**
Plan assets at year beginning, at fair value	–	–	–	1.44	2.74	2.76
Expected return on plan assets (estimated)	–	–	–	0.16	0.22	0.50
Actuarial gain / (loss)	–	–	–	0.04	(0.22)	0.34
Contributions	–	–	1.44	1.33	0.02	–
Benefits settled	–	–	–	(0.23)	–	–
Plan assets at year end, at fair value	**–**	**–**	**1.44**	**2.74**	**2.76**	**3.60**
Reconciliation of present value of the obligation and the fair value of the plan assets:						
Closing obligations	(1.54)	(1.60)	(2.13)	(3.81)	(4.44)	(5.22)
Closing fair value of plan assets	–	–	1.44	2.74	2.76	3.60
Asset / (liability) recognized in the balance sheet	**(1.54)**	**(1.60)**	**(0.68)**	**(1.06)**	**(1.69)**	**(1.62)**
Gratuity cost for the year						
Service cost	–	0.10	0.16	1.82	1.10	1.10
Interest cost	–	0.11	0.13	0.23	0.27	0.29
Expected return on plan assets	–	–	–	(0.16)	(0.22)	(0.50)
Actuarial (gain)/loss	–	(0.15)	0.24	(0.18)	(0.50)	(0.27)
Net gratuity cost	**–**	**0.06**	**0.53**	**1.71**	**0.65**	**0.62**
Assumptions						
Discount rate	7.00%	7.50%	7.95%	8.00%	7.00%	8.40%
Estimated rate of return on plan assets	0.00%	0%	7.50%	8.00%	8.00%	7.50%
Salary increase	7.00%	7.00%	7.00%	7.00%	6.00%	7.00%

ANNEXURE - IV (CONTINUED)

NOTES TO RESTATED SUMMARY STATEMENTS:

G) Scheme of arrangement

A) Merger:- Background and nature of business

A Scheme of Arrangement (the "**Merger Scheme**") pursuant to Section 391 to 394 of the Companies Act, 1956 (the "**Act**") and Rules 67 to 87 of the Companies (Court) Rules 1959 (the "**Rules**") and other applicable provisions of Act and Rules was approved by the Honourable High Court at Karnataka for the merger of Embassy Finvest Private Limited, Dynasty Stock Holdings Private Limited, Embassy Management Consultants Private Limited, Embassy Realtors Private Limited, Narpat Holdings Private Limited, Embassy Home Investments Private limited and Embassy Leasing Private Limited (the "**Transferor Companies**") into Embassy Property Developments Limited (the "**Transferee Company**" or the "**Company**").

The Merger Scheme was approved by the shareholders of the Transferor Companies on 10 November 2008. The Honourable High Court of Karnataka sanctioned the Merger Scheme vide its Order dated 25 January 2010. The Merger Scheme became effective on 16 February 2010 on submission of the orders of the Honourable High Court of Karnataka, with the Registrar of Companies at Bangalore.

Salient features of the Merger Scheme

The appointed date for the Merger Scheme is 1 April 2008.

Since the entire equity share capital of all the Transferor Companies is held by the Transferee Company, no shares of the Transferee Company shall be allotted in respect of its holding in the Transferor Companies and the investments in the shares of the Transferor Companies, appearing in the books of the Transferee Company as on the merger appointed date shall stand cancelled.

Accounting treatment in the books of the Company

1) All the assets and liabilities of the Transferor Companies, whether recorded in the books or not, shall be recorded by the Transferee Company at their respective fair values.

2) The amount of inter company balances between the Transferor Companies and the Transferee Company shall stand cancelled upon the Merger Scheme coming into effect.

3) In case of any differences in accounting policies between the Transferee Company and the Transferor Companies, the accounting policies followed by the Transferee Company shall prevail to ensure that the financial statements reflect the financial position on the basis of consistent accounting policies.

4) Surplus, if any, of the net assets acquired by the Transferee Company after making adjustments as stated above, shall be credited to the general reserve account in the books of the Transferee Company. Deficit, if any, shall be debited to the profit and loss account in the books of the Transferee Company.

5) Further, upon the Merger Scheme becoming effective, the Transferee Company shall restate all or such of its assets, including but not limited to fixed assets and existing investments at their respective fair values. The Transferee Company shall recognize the difference between the book value of the assets and the fair value of the assets in the reserve for business restructuring. This reserve shall be withdrawn and credited to the general reserve account of the Transferee Company as and when considered appropriate by the Board of Directors of the Transferee Company.

The accounting treatment for the merger in the transferee company is as follows:

Rs in millions	Embassy Finvest Private Limited	Narpat Holdings Private Limited	Embassy Leasing Private Limited	Embassy Management Consultants Private Limited	Embassy Realtors Private Limited	Dynasty Stock Holdings Private Limited	Embassy Homes Investments Private Limited
Fair value of assets taken over	8,402.25	3,175.77	304.49	388.86	39.68	29.80	36.05
Fair value of liabilities taken over	(1,774.38)	(0.01)	(91.37)	(334.83)	(35.83)	(0.02)	(36.19)
Net assets taken over at fair value	6,627.87	3,175.76	213.12	54.03	3.85	29.78	(0.14)
Less: Cost of investment in the books of transferee company	(4.01)	(0.36)	(0.10)	(1.67)	(0.88)	(0.10)	(0.20)
Surplus	**6,623.86**	**3,175.40**	**213.02**	**52.36**	**2.97**	**29.68**	**(0.34)**
Net surplus							**10,096.95**
Fair valuation of assets in the books of the transferee company as at 1 April 2008							
Surplus on fair valuation of a land owned by the Company (transferee)							1,739.18
Surplus on fair valuation of an investment held by the Company (transferee)							1,096.07
Net surplus credited to general reserve as per the scheme of merger							**12,932.20**

Accounting treatment for merger:

In accordance with the court approved scheme, assets and liabilities of the Transferor Companies were fair valued upwards by an amount of Rs 10,096.95 million and the resulting net surplus along with surplus arising on fair valuation of certain assets of the Company in all aggregating Rs 12,932.20 million has been credited to general reserve.

Had the Company adopted the principles of paragraphs 12 and 13 of the Accounting Standard 14 "Accounting for Amalgamations", assets and liabilities of the Transferor Companies and selective assets of the Transferee Company would not have been fair valued and further, the surplus, if any would have been credited to capital reserve account.

Scheme of arrangement - DEMERGER

Background and nature of business

A Scheme of Arrangement (the "**Demerger Scheme**") pursuant to Section 391 to 394 of the Companies Act, 1956 (the "**Act**") and Rules 67 to 87 of the Companies (Court) Rules 1959 (the "**Rules**") and other applicable provisions of Act and Rules was approved by the Honorable High Court at Karnataka for the demerger of the certain specified rental premises (owned by Embassy Property Developments Limited (the "**Transferor Company**" or the "**Company**") to Starwood Properties Private Limited, Polywood Properties Private Limited and LJ Victoria Properties Private Limited (the "**Transferee Companies**").

The Demerger Scheme was approved by the shareholders of the Transferor Company on 10 November 2008. The Honorable High Court of Karnataka sanctioned the Demerger Scheme vide its Order dated 25 January 2010. The Demerger Scheme became effective on 16 February 2010 on submission of the orders of the Honorable High Court of Karnataka, with the Registrar of Companies at Bangalore.

Salient features of the Demerger Scheme

The appointed date for the Demerger Scheme is 1 April 2009.

The consideration for demerger of assets will be paid by the Transferee Companies to the shareholders of the Transferor Company. Hence no consideration is received by the Transferor Company.

Accounting treatment in the books of the Company

1) The Transferor Company shall reduce from the book value of its assets, the book value of the assets pertaining to the certain specified rental premises transferred and from the book value of its liabilities, the book value of liabilities pertaining to such certain specified rental premises.

2) Surplus/ Deficit, if any, of the net assets transferred by the Transferor Company shall be debited or credited to the general reserve account in the books of the Transferor Company.

The accounting treatment for the merger in the transferee company is as follows:

	Starwood Properties Private Limited	**Polywood Properties Private Limited**	**LJ Victoria Properties Private Limited**	**Total**
Book value of assets demerged	53.15	13.03	174.89	241.06
Book value of liabilities demerged	(27.77)	0.00	(202.86)	(230.63)
	25.38	13.03	(27.97)	10.44
Consideration received by the Company	0.00	0.00	0.00	0.00
Net (deficit) debited to general reserve	**(25.38)**	**(13.03)**	**27.97**	**(10.44)**

ANNEXURE - IV (CONTINUED)

NOTES TO RESTATED SUMMARY STATEMENTS:

H) Subsequent events

1. Issue of bonus shares

The Board of Directors of Embassy Property Developments Limited, in their meeting held on 25 April 2010, recommended issue of bonus shares in the ratio of 380 equity shares for every equity share held by the equity shareholder, subject to the approval by equity shareholders. The above resolution seeks to issue 972.42 million bonus shares to the existing shareholders by capitalising the existing general reserves to the extent of Rs 9,724.2 million.

Resolution for issue of the above bonus shares was approved by the shareholders in their meeting held on 25 April 2010 vide a special resolution.

2. Conversion of status from Private limited to a Public Limited Company

Pursuant to the necessary approvals received from the Registrar of Companies, the Company has been converted into a public limited company effective 25 May 2010.

ANNEXURE - V

SIGNIFICANT ACCOUNTING POLICIES

1. Background

Embassy Property Developments Limited ("**EDPL**") or the "**Company**") was incorporated on 30 July 1996. The registered office of the Company is located at Bangalore, Karnataka, India. The Company is primarily engaged in the business of real estate development and related consulting services and leasing of properties.

The restated financial statements relate to the Company and have been specifically prepared for inclusion in the document to be filed by the Company with the Securities and Exchange Board of India ("SEBI") in connection with its proposed Initial Public Offering. The restated financials consist of the restated summary statement of assets and liabilities of the Group as at 31 March 2005, 2006, 2007, 2008, 2009 and 28 February 2010, the related restated summary statement of profits and losses for the years ended 31 March 2005, 2006, 2007, 2008, 2009 and the eleven month period ended 28 February 2010 and the related restated summary statement of cash flows for each of the years ended 31 March 2005, 2006, 2007, 2008, 2009 and the eleven month period ended 28 February 2010 (these restated financial statements hereinafter are collectively referred to as "Restated Summary Statements").

The Restated Summary Statements have been prepared to comply in all material respects with the requirements of Schedule II to the Companies Act, 1956 (the "**Act**") and the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations 2009 (the "**SEBI Regulations**") notified by SEBI on August 26, 2009, as amended from time to time. The Act and the SEBI Regulations require the information in respect of the assets and liabilities and profits and losses of the Company for each of the five years / periods immediately preceding the issue of the Prospectus.

2. Basis of preparation

The financial statements have been prepared in accordance with generally accepted accounting principles in India and presented under the historical cost convention, on the accrual basis of accounting and comply with the mandatory Accounting Standards prescribed in the Companies (Accounting Standard) Rules 2006 and other pronouncements of the Institute of Chartered Accountants of India ("**ICAI**"). The financial statements are presented in Indian rupees.

3. Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles ("**GAAP**") in India requires the Management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent liabilities on the date of the financial statements. The estimates and assumptions used in the accompanying financial statements are based upon the Management's evaluation of the relevant facts and circumstances as at the date of the financial statements. Actual results could differ from those estimates. Any revision to accounting estimates is recognised prospectively in current and future periods.

4. Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured.

i) Proceeds from sale of land and constructed properties

Revenue from sale of land is recognized on transfer of title in the property i.e. on execution of the sale deed. Revenue from sale of developed/ constructed property is recognised upon transfer of all significant risks and rewards of ownership of such real estate/ property, as per the terms of the contracts entered into with buyers, which generally coincides with the firming of the sales contracts/ agreements.

ii) Revenue from construction contracts

Revenue from construction contracts are recognised on percentage completion method, when the stage of each project reaches a significant level which is estimated to be at least 10% of the total estimated construction cost of the project. Revenue is recognised in proportion that the contract costs incurred for work performed up to the reporting date bear to the estimated total contract costs. Land costs are not included for the purpose of computing the percentage of completion. The amount recognised is net of sales tax, service tax and other

amounts collected from the customer in the capacity of an agent. Contract costs include the estimated cost of construction, development and other directly attributable costs of the projects under construction. In cases where the total project cost is estimated to exceed the total estimated revenue from a project, the loss is recognised immediately.

The estimates for saleable area and contract costs are reviewed by the management periodically and the cumulative effect of changes in these estimates are recognised in the period in which these changes may be reliably measured.

iii) Gain on sale of leased property

Gain on sale of leased property represents fixed assets in the form of land and buildings sold to third parties. These properties are leased to lessees prior to such sale. Such gain is recognised upon transfer of all significant risks and rewards of ownership of such real estate/ property, as per the terms of the contracts entered into with buyers, which generally coincides with the firming of the sales contracts/ agreements. The gain recognised is net of the carrying costs of such leased property on the date of recognition of the sale.

iv) Rental income

Rental income from fixed assets leased under operating lease is recognized in the income statement on a straight-line basis over the term of the lease. Lease incentives granted are recognized as an integral part of the total rental income. Initial direct costs such as brokerage expenses incurred specifically to earn revenues from an operating lease are recognized as an expense in the statement of profit and loss in the year in which they are incurred.

v) Business consultancy services

Revenue from business consultancy services are recognised in accordance with agreements entered as and when the services are rendered.

vi) Interest income

Interest income is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable.

vii) Dividend income

Dividend income is recognized where the Group's right to receive the dividend is established.

5. Fixed assets and depreciation/ amortization

Fixed assets are stated at cost less accumulated depreciation/ amortization and impairment loss, if any. Cost comprises purchase price and any attributable cost such as duties, freight, borrowing costs, erection and commissioning expenses incurred in bringing the asset to its working condition for its intended use.

Advance paid/expenditure incurred on acquisition/ construction of fixed assets which are not ready for their intended use at each balance sheet date are disclosed under capital work-in-progress.

Depreciation on fixed assets is provided as per the straight-line method at rates prescribed under schedule XIV of the Companies Act, 1956. The useful lives of various fixed assets are as follows:

Class of assets	Years
Buildings	10 - 61
Plant and Machinery	15
Furniture and Fixtures	15
Electrical equipment	15
Computers	3
Office equipments	10
Vehicles	5

Leasehold improvements are depreciated over the lease term or the estimated useful life, whichever is shorter.

Assets individually costing less than Rs 5,000 are depreciated at 100%.

Depreciation on additions to fixed assets and deletions to fixed assets is provided on a pro rata basis for/ up to the period of use respectively.

6. Inventories

Inventories are carried at the lower of cost and net realizable value. Cost includes all applicable costs incurred in bringing the properties to their present location and condition. The method of determination of cost for various categories of inventories is as follows:

Land, including transferable development rights, is valued at cost of acquisition. Cost includes acquisition cost and related development charges. Finished stocks of constructed properties are valued at their cost of construction/ acquisition.

The net realizable value of work in progress is determined with reference to the selling prices of related constructed property. Raw materials and other supplies held for use in construction of property are not written below cost except in cases where material prices have declined and it is estimated that the cost of constructed property will exceed their net realizable value.

Advances paid towards purchase of land for future development is classified as land advance until a clear and marketable title is obtained, free from all encumbrances and on transfer of legal title to the Company. Such advances, depending on the stage of the land acquisition process, are measured with reference to the value of the underlying, at the lower of cost or net realizable value, having regard to the protracted underlying process.

7. Joint development with land owner

In case of joint development with the land owner on space sharing arrangement, land is initially recorded at the estimated cost of construction for the portion of the building to be transferred to the land owner on completion of construction. Changes in the estimate/ actual cost of construction from the estimated cost are adjusted in the cost of land in the year of such change/ occurrence.

In case of joint development with the land owner on revenue sharing arrangement, land is not recorded as an asset in the books of the Company. Upon sale/ lease out of the project, the Company records only its share as revenue since in respect of the share of the land owner in sale proceeds/ rent, the Company essentially is acting as collector on behalf of the land owner.

8. Investments

Investments that are readily realizable and intended to be held for not more than a year are classified as current investments. All other investments are classified as long term investments. Current investments are carried at lower of cost and fair value determined on an individual investment basis. Long term investments are carried at cost. However, provision for diminution in value, if any, is made to recognize a decline other than temporary in the value of the investments.

9. Borrowing cost

Borrowing costs directly attributable to acquisition or construction of those fixed assets and property under development, which necessarily take a substantial period of time to get ready for their intended use, are capitalized. Other borrowing costs are accounted as an expense when incurred and debited to profit and loss account.

10. Employee benefits

Defined benefit plans

The Company's gratuity plan is a defined benefit plan. The present value of gratuity obligation under such defined benefit plans is determined based on actuarial valuation carried out by an independent actuary using the Projected Unit Credit Method, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measure each unit separately to build up the final obligation. The obligation is measured at the present value of estimated future cash flows. The discount rates used for determining the present value of obligation under defined benefit plans, is based on the market yields on Government securities as at the balance sheet date, having maturity periods approximating to the terms of related obligations. Actuarial gains and losses are recognized immediately in the profit and loss account.

Gains or losses on the curtailment or settlement of any defined benefit plan are recognized when the curtailment or settlement occurs.

The gratuity scheme is administered through a trust with the Life Insurance Corporation of India and the provision for the same is determined on the basis of actuarial valuation carried out as at the year end. Provision is made for the shortfall, if any, between the amounts required to be contributed to meet the accrued liability for gratuity as determined by actuarial valuation and the available corpus of the funds.

Other long term benefit

Cost of long term benefits by way of accumulating compensated absences arising during the tenure of service is calculated taking into account the pattern of availment of leave. The present value of obligations towards availment under such long term benefit is determined based on actuarial valuation carried out by an independent actuary using Projected Unit Credit Method as at the year end. The obligation is measured at the present value of estimated future cash flows. The discount rates used for determining the present value of obligation under defined benefit plans, is based on the market yields on Government securities as at the balance sheet date, having maturity periods approximating to the terms of related obligations. Actuarial gains and losses are recognized immediately in the profit and loss account. Gains or losses on the curtailment or settlement of any defined benefit plan are recognized when the curtailment or settlement occurs.

Defined contribution plan

Contributions to the recognized provident fund and approved superannuation schemes, which are defined contribution schemes, are charged to the profit and loss account.

11. Income tax

Income-tax expense comprises current tax, Fringe Benefits Tax ("**FBT**") and deferred tax charge or credit.

Income-tax expense comprises current tax (i.e. amount of tax for the year determined in accordance with the income-tax law) and deferred tax charge or credit (reflecting the tax effects of timing differences between accounting income and taxable income for the year). Deferred tax assets are recognized only to the extent there is reasonable certainty that the assets can be realized in future; however, where there is unabsorbed depreciation or carried forward business loss under taxation laws, deferred tax assets are recognized only if there is a virtual certainty of realizations of such assets. Deferred tax assets/ liabilities are reviewed as at each balance sheet date and written down or written-up to reflect the amount that is reasonably/ virtually certain (as the case may be) to be realized.

The Company offsets, the current tax assets and liabilities (on a year on year basis), where it has a legally enforceable right and where it intends to settle such assets and liabilities on a net basis.

The Company provides for and discloses the FBT in accordance with the provisions of Section 115 WC of the Income-tax Act, 1961. In view of the limited specific interpretations available, particularly from CBDT, provision for FBT has been recognized on the basis of a harmonious interpretation of the provisions of the Income-tax Act, 1961. FBT has been abolished with effect from 1 April 2009.

12. Earnings/ (loss) per share

The basic earnings per share is computed by dividing the net profit attributable to equity shareholders for the period by the weighted average number of equity shares outstanding during the period.

13. Foreign currency transactions

Foreign exchange transactions are recorded at the rates of exchange prevailing on the dates of the respective transactions. Exchange differences arising on foreign exchange transactions settled during the year are recognized in the profit and loss account of the year.

Monetary assets and liabilities in foreign currency, which are outstanding as at the year-end and not covered by forward contracts, are translated at the year-end at the closing exchange rate and the resultant exchange differences are recognized in the profit and loss account. Non-monetary foreign currency items are carried at cost.

14. Provisions and contingent liabilities

The Company recognizes a provision when there is a present obligation as a result of a past (or obligating) event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A

disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is a possible obligation or a present obligation that the likelihood of outflow of resources is remote, no provision or disclosure is made.

Provisions for onerous contracts, i.e. contracts where the expected unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it, are recognized when it is probable that an outflow of resources embodying economic benefits will be required to settle a present obligation as a result of an obligating event, based on a reliable estimate of such obligation.

15. Leases

Leases under which the Company assumes substantially all the risks and rewards of ownership are classified as finance leases. Such assets acquired are capitalized at fair value of the asset or present value of the minimum lease payments at the inception of the lease, whichever is lower.

For operating leases, lease payments (excluding cost for services, such as insurance and maintenance) are recognized as an expense in the statement of profit and loss on a straight line basis over the lease term. The lease term is the non-cancellable period for which the lessee has agreed to take on lease the asset together with any further periods for which the lessee has the option to continue the lease of the asset, with or without further payment, which option at the inception of the lease it is reasonably certain that the lessee will exercise.

16. Impairment of assets

The Company periodically assesses whether there is any indication that an asset or a group of assets comprising a cash generating unit may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. For an asset or group of assets that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognized in the profit and loss account. If at the balance sheet date there is an indication that if a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of depreciable historical cost. An impairment loss is reversed only to the extent that the carrying amount of asset does not exceed the net book value that would have been determined if no impairment loss had been recognized.

17. Segment reporting

The Company's operating businesses are organized and managed separately according to the nature of business and services provided, with each segment representing a strategic business unit that offers different products and serves different markets. The analysis of geographical segments is based on the areas in which major operating divisions of the Company operate.

Common allocable costs are allocated to each segment according to the relative contribution of each segment to the total common costs. General corporate income and expense items are not allocated to any business segment.

18. Recognition and measurement of advances paid and received:

Advance paid for purchase of land:

These advances represent several intended purchases of parcels of land, which are in various stages of the acquisition process, which is typically long drawn and requires several regulatory compliances. The Company considers the purchase as complete only when all compliances are complete and the ownership right to the land is unfettered. Such advances, depending on the stage of the land acquisition process, are measured with reference to the value of the underlying, at the lower of cost or net realizable value, having regard to the protracted underlying process.

Advances paid towards jointly developable properties:

These advances represent monies paid to land owners and intermediaries, where the Company proposes to jointly develop the property. Subsequent to a definitive agreement and on actual commencement of development activity, the Company acquires a right in the underlying land at which point, such advances are transferred to capital work in progress. Advances towards joint development rights are valued at cost. On transfer to capital work in progress, measurement is on the basis of cost, less impairment, if any, determined with reference to the discounted values of future anticipated cash flows.

Advance received for property acquisition services:

Advances received for property acquisition services represent monies advanced by certain group companies and others, where the Company has agreed to purchase parcels of land on behalf of these parties and sell the same to them at a later date. The price at which these lands will be sold will be determined at a later date, once the acquisition of land has been completed by the Company. Liquidated damages/ penalties, if any, on delay in completion, are provided in the year of default.

ANNEXURE - VI

DETAILS OF DIVIDEND

(Rs in millions)	As at 31 March					As at 28 Feb
PARTICULARS	**2005**	**2006**	**2007**	**2008**	**2009**	**2010**
Number of fully paid equity shares	2,559,000	2,559,000	2,559,000	2,559,000	2,559,000	2,559,000
Equity share capital	25.59	25.59	25.59	25.59	25.59	25.59
Face value (Rs. per share)	10	10	10	10	10	10
Rate of dividend %	–	–	–	–	–	–
Amount of dividend	–	–	–	–	–	–

Note: The figures disclosed above are based on the Restated Summary Statements of Embassy Property Developments Limited.

ANNEXURE - VII

STATEMENT OF ACCOUNTING RATIOS

(Rs in millions)	As at and for the year ended 31 March					As at and for the eleven months period ended 28 February
PARTICULARS	**2005**	**2006**	**2007**	**2008**	**2009**	**2010**
Net worth (A)	127.35	261.92	515.97	717.29	13,971.93	13,861.19
Restated Profit after Tax (B)	92.23	134.57	254.05	201.32	322.44	(100.30)
Weighted average number of equity shares outstanding during the year / period						
- For basic earnings per share (C)	2,559,000	2,559,000	2,559,000	2,559,000	2,559,000	2,559,000
- For diluted earnings per share (D)	2,559,000	2,559,000	2,559,000	2,559,000	2,559,000	2,559,000
Earnings Per Share Rs. 10 each						
- Basic Earnings per share (Rs.) (E - B/C)	36.04	52.59	99.28	78.67	126.00	(39.20)
- Diluted Earnings per share (Rs.) (F - B/D)	36.04	52.59	99.28	78.67	126.00	(39.20)
Return on Net Worth (%) (G = B/A)	72.42%	51.38%	49.24%	28.07%	2.31%	-0.72%
Number of Shares outstanding at the end of the year / period (H)	2,559,000	2,559,000	2,559,000	2,559,000	2,559,000	2,559,000
Net Assets Value per share of Rs. 10 each (I = A/H)	49.77	102.35	201.63	280.30	5,459.92	5,416.65

Notes:

1. The above ratios are calculated as under:
   a) Earnings per share = Net profit after tax, as restated / Weighted average number of shares outstanding for the year/ period.
   b) Return on Net worth (%) = Net profit after tax, as restated / Net worth as restated as at year or period end
   c) Net asset value (Rs.) = Net worth as restated / Number of equity shares as at year or period end
2. The figures disclosed above are based on the Restated Summary Statements of Embassy Property Developments Limited.
3. Earning per shares (EPS) calculation is in accordance with Accounting Standard 20 "Earnings per share" prescribed by the Companies (Accounting Standards) Rules, 2006.
4. The EPS and return on net worth for the eleven months period ended 28 February 2010 are not comparable with the other financial years presented.
5. Net worth as at 31 March 2009 and 28 February 2010, include general reserve aggregating Rs 12,932.20 million created pursuant to the merger of certain of its wholly owned subsidiaries with the Company and the consequent fair valuation of certain assets and liabilities of the transferor and transferee entities. Refer Annexure IV (G) for details of the scheme of merger and the consequent accounting treatment.

ANNEXURE - VIII

DETAILS OF OTHER INCOME, AS RESTATED

PARTICULARS	**For the year ended 31 March**					**From 1 April 2009 to 28 February**	**Source of income**
Rs in millions	**2005**	**2006**	**2007**	**2008**	**2009**	**2010**	
Other income, as restated	11.28	14.48	34.50	124.08	123.98	6.40	
Profit before tax	135.78	198.53	346.92	302.39	493.99	(134.49)	
Percentage	8%	7%	10%	41%	25%	0%	
Sources of other income							
Recurring							
Interest							
- from banks	0.07	3.17	7.90	7.24	6.11	3.26	Interest on bank deposits
- from others	-	-	-	95.67	93.72	1.58	Interest on loans given
Foreign exchange gain, net	-	-	-	-	6.97	0.88	Foreign exchange gain on translation of foreign currency transactions
Dividend from mutual funds	-	0.72	-	2.14	1.31	0.63	Dividend income from mutual fund investments
Non-recurring						**-**	
Profit on sale of shares	-	-	-	10.62	-	-	
Miscellaneous income	11.21	10.59	26.60	8.41	15.87	0.05	
Total	**11.28**	**14.48**	**34.50**	**124.08**	**123.98**	**6.40**	

Note: The figures disclosed above are based on the Restated Summary Statements of Embassy Property Developments Limited.

ANNEXURE - IX

STATEMENT OF SECURED LOANS, AS RESTATED

(Rs in millions)	As at 31 March					As at 28 Feb
PARTICULARS	**2005**	**2006**	**2007**	**2008**	**2009**	**2010**
Long terms loans						
- from banks and financial institutions	256.01	1,756.04	2,176.76	1,405.68	2,238.12	627.74
- vehicle loans	7.31	5.10	1.96	2.43	1.39	0.65
From others						
- inter corporate loans	–	–	–	–	510.00	490.00
	263.32	1,761.14	2,178.72	1,408.11	2,749.51	1,118.39
Short term loans						
- from banks	18.01	99.38	–	2,275.00	18.00	1,023.41
	18.01	99.38	–	2,275.00	18.00	1,023.41
Interest accrued and due	–	–	–	–	–	–
Total	**281.33**	**1,860.52**	**2,178.72**	**3,683.11**	**2,767.51**	**2,141.80**

Note: The figures disclosed above are based on the Restated Summary Statements of Embassy Property Developments Limited.

ANNEXURE - IX (continued)

STATEMENT OF SECURED LOANS, AS RESTATED (continued)

Term loans (Rs in millions)

SI. No.	Lender	Amount Sanctioned	Amount outstanding as of 28 February 2010	Rate of Interest	Repayment terms	Prepayment charges	Default charges	Security
1	LIC Housing Finance Limited	500.00	500.00	15.25%	The loan shall be repaid by bullet repayment at the end of 9 months i.e. November 2010. However, LIC Housing Finance Limited shall reserve the first right to convert the loan into lease rental discounting at revised terms.	Prepayment charges will be levied @ 2% of the principal amount prepaid ahead of the schedule. However, prepayment charges will not be levied in respect of the principal amount be adjusted/ repaid out of the individual loans received from the same project/ out of surplus of the same project.	If interest and principal installments due are defaulted/ delayed, additional interest @ 6% p.a. compounding monthly will become payable.	Registered mortgage/ equitable mortgage (to the extent of the share of applicant company): 1. Project land and structure thereon at “Embassy Paragon”. The value of security at any point of time not to be less than 1.75 times loan amount. 2. Personal guarantee of Promoters Director, Mr. Jitendra Virwani. 3. Assignment of receivable from the project “Embassy Paragon” excluding owners share.

SI. No.	Lender	Amount Sanctioned	Amount outstanding as of 28 February 2010	Rate of Interest	Repayment terms	Prepayment charges	Default charges	Security
2	United Bank of India	300.00	127.74	14.25%	The term loan is repayable in 108 Equated Monthly Installments (EMI) of Rs 4,900,000 from June 2010 up to June 2021	Prepayment charges will be levied @ 1% of the amount being prepaid for the residual period as per the proposed repayment schedule will be payable.	Penal interest shall be 0.50% per quarter per default.	Primary security: Equitable mortgage of Embassy Property Developments Limited (EPDL) share of land and building - 40% share in land bearing property no. 43and 43/1, Residency Road, Ward No.76, Bangalore, measuring 48,025 sft., and 40% of the total super built up area measuring to 52,836 sft. Collateral security: 1. Assignment of lease rentals in the portion owned by EPDL 2. Personal guarantee of all the directors during the construction period - Mr. Jitendra Virwani, Mr. K.Y. Gopikrishnan and Mr. Narpat Singh Choraria. The guarantee shall remain valid during the construction period or creation of all securities as per sanction, whichever is later. 3. Personal guarantee of Sri S.N. Ladhani
3	ICICI Bank	1,000.00	1,004.41	11.50%	All tranches to be repaid in 6 months of the date of the first draw down or March 15, 2010, whichever is earlier.	Prepayment charges will be levied @ 2% of the principal amount prepaid ahead of the schedule.	If interest and principal installments due are defaulted/ delayed, additional interest @ IBAR+2% p.a. shall be payable.	1. Exclusive charge by way of equitable mortgage on the converted land at Sy. No. 140, 143/1A, 144 and 142/1 Kodihalli Village, Varthur Hobli, Bangalore, East Taluk and measuring 345,165 sq.ft together with the structure thereon both present and future, being valued at Rs 1,518,700,000 thousands. 2. Personal guarantee of Mr. Jitendra Virwani 3. Demand promissory note to be provided by the borrower

SI. No.	Lender	Amount Sanctioned	Amount outstanding as of 28 February 2010	Rate of Interest	Repayment terms	Prepayment charges	Default charges	Security
4	Rajesh Exports Limited	17.50	17.50	24.00%	Not less than 18 months from 17 March 2009.	None specified	Non payment of interest for a period of 3 months shall be construed as default in terms of ICD agreement and Rajesh Exports Ltd shall be entitled to enforce the security in terms of the mortgage deed executed by EPDL in favour of REL after providing 10 days notice to rectify the breach and such breach being not rectified during the notice period.	Personal guarantee of Mr Jitendra Virwani and Mortgage of the following assets: 1. Sy.No.72/2 measuring 2 acres and 20 guntas, bearing document No.3097/04-05 and Conversion Order No.ALN.SR(D).73/04-05 dtd 12.10.2004 situated at Heggenahalli Village, Kundana Hobli, Devanahalli Taluk, Bangalore Rural District owned by Nam Estates Private Limited and mortgaged to Rajesh Exports Limited (REL) 2. Sy.No.72/3 measuring 2 acres and 20 guntas, bearing document No.3097/04-05 and Conversion Order No.ALN.SR(D).73/04-05 dtd 12.10.2004 situated at Heggenahalli Village, Kundana Hobli, Devanahalli Taluk, Bangalore Rural District owned by Nam Estates Pvt Ltd and mortgaged to REL

5	Rajesh Exports Limited	52.50	52.50	24.00%	Not less than 18 months from 17 March 2009.	None specified	Non payment of interest for a period of 3 months shall be construed as default in terms of ICD agreement and Rajesh Exports Ltd shall be entitled to enforce the security in terms of the mortgage deed executed by EPDL in favour of REL after providing 10 days notice to rectify the breach and such breach being not rectified during the notice period.	Mortgage of the following assets: 1. Sy.No.49/1E measuring 2 acres, bearing document No.783/04-05 and Conversion Order No.ALN.SR(D).28/04-05 dated 22.06.2004 situated at Nagamangala Village, Kundana Hobli, Devanahalli Taluk, Bangalore Rural District owned by Nam Estates Private Limited and mortgaged to REL. 2. Sy.No.49/1B measuring 1 acres 36 guntas, bearing document No.490/03-04 and Conversion Order No.ALN.SR(D).17/03-04 dtd 3.03.2004 situated at Nagamangala Village, Kundana Hobli, Devanahalli Taluk, Bangalore Rural District owned by Nam Estates Private Limited and mortgaged to REL. 3. Sy.No.49/1C measuring 2 acres, bearing document No.778/04-05 and Conversion Order No.ALN.SR(D).17/03-04 dtd 3.03.2004 situated at Nagamangala Village, Kundana Hobli, Devanahalli Taluk, Bangalore Rural District owned by Nam Estates Private Limited and mortgaged to REL. 4. Sy.No.49/1A measuring 2 acres 37 guntas, bearing document No.3102/04-05 and Conversion Order No.ALN.SR(D).74/04-05 dtd 19.11.2004 situated at Nagamangala Village, Kundana Hobli, Devanahalli Taluk, Bangalore Rural District owned by Nam Estates Private Limited and mortgaged to REL. 5. Sy.No.54 measuring 2 acres, bearing document No.778/04-05 and Conversion Order No.ALN.SR(D).17/03-04 dtd 3.3.2004 situated at Nagamangala Village, Kundana Hobli, Devanahalli Taluk, Bangalore Rural District owned by Nam Estates Private Limited and mortgaged to REL.

								6. Sy.No.48/8-P1 measuring 1 acres 15 guntas, bearing document No.786/04-05 and Conversion Order No.ALN.SR(D).29/04-05 dtd 22.06.2004 situated at Nagamangala Village, Kundana Hobli, Devanahalli Taluk, Bangalore Rural District owned by Nam Estates Private Limited and mortgaged to REL. (7) Sy.No.57/1 measuring 2 Acres, bearing document No.782/04-05 and Conversion Order No.ALN.SR(D).31/03-04 dtd 25.03.2004 situated at Nagamangala Village, Kundana Hobli, Devanahalli Taluk, Bangalore Rural District owned by Nam Estates Private Limited and mortgaged to REL.
6	Rajesh Exports Limited	50.00	50.00	24.00%	Not less than 18 months from 17 March 2009.	None specified	Non payment of interest for a period of 3 months shall be construed as default in terms of ICD agreement and Rajesh Exports Ltd shall be entitled to enforce the security in terms of the mortgage deed executed by EPDL in favour of REL after providing 10 days notice to rectify the breach and such breach being not rectified during the notice period.	Personal guarantee of Mr. Jitendra Virwani and mortgage of the following assets: 1. Sy.No.67/287 measuring 7 acres and 14 guntas, Conversion Order No.ALN.SR(NA).105/03-04 dtd 22.01.2004 situated at Navarathna Agrahara Village, Jala Hobli, Bangalore North Taluk owned by Nam Estates Private Limited and mortgaged to REL. 2. Sy.No.67/287 measuring 5 acres and 30 guntas, Conversion Order No.ALN.SR(NA).104/03-04 dtd 22.01.2004 situated at Navarathna Agrahara Village, Jala Hobli, Bangalore North Taluk owned by Nam Estates Private Limited and mortgaged to REL. 3. Sy.No.3/221 measuring 7 acres and 5 guntas, Conversion Order No.ALN.SR(NA).27/05-06 dtd 6.10.2005 situated at Navarathna Agrahara Village, Jala Hobli, Bangalore North Taluk owned by Nam Estates Private Limited and mortgaged to REL.

7	Rajesh Exports Limited	50.00	50.00	24.00%	Not less than 18 months from 26 February 2009	None specified	Non payment of interest for a period of 3 months shall be construed as default in terms of ICD agreement and Rajesh Exports Ltd shall be entitled to enforce the security in terms of the mortgage deed executed by EPDL in favour of REL after providing 10 days notice to rectify the breach and such breach being not rectified during the notice period.	Personal guarantee of Mr. Jitendra Virwani and mortgage of the following assets: 1. Sy.No.3/209 measuring 30 guntas, Conversion Order No.ALN.SR(NA).27/05-06 situated at Navarathna Agrahara Village, Jala Hobli, Bangalore North Taluk, Bangalore District owned by Nam Estates Private Limited and mortgaged to REL. 2. Sy.No.3/213 measuring 2 acres, Conversion Order No.ALN.SR(NA).27/05-06 situated at Navarathna Agrahara Village, Jala Hobli, Bangalore North Taluk, Bangalore District owned by Nam Estates Private Limited and mortgaged to REL. 3. Sy.No.3/215 measuring 1 acre, Conversion Order No.ALN.SR(NA).27/05-06 situated at Navarathna Agrahara Village, Jala Hobli, Bangalore North Taluk, Bangalore District owned by Nam Estates Private Limited and mortgaged to REL. 4. Sy.No.3/219 measuring 1 acres 3 guntas, Conversion Order No.ALN.SR(NA).27/05-06 situated at Navarathna Agrahara Village, Jala Hobli, Bangalore North Taluk, Bangalore District owned by Nam Estates Private Limited and mortgaged to REL. 5. Sy.No.3/223 measuring 2 acres 7 guntas, Conversion Order No.ALN.SR(NA).27/05-06 situated at Navarathna Agrahara Village, Jala Hobli, Bangalore North Taluk, Bangalore District owned by Nam Estates Private Limited and mortgaged to REL. 6. Sy.No.3/226 measuring 35 guntas, Conversion Order No.ALN.SR(NA).27/05-06 situated at Navarathna Agrahara Village, Jala Hobli, Bangalore North Taluk, Bangalore District owned by Nam Estates Private Limited and mortgaged to REL.

7. Sy.No.3/227 measuring 35 guntas, Conversion Order No.ALN.SR(NA).27/05-06 situated at Navarathna Agrahara Village, Jala Hobli, Bangalore North Taluk, Bangalore District owned by Nam Estates Private Limited and mortgaged to REL.
8. Sy.No.3/232 measuring 1 acre, Conversion Order No.ALN.SR(NA).27/05-06 situated at Navarathna Agrahara Village, Jala Hobli, Bangalore North Taluk, Bangalore District owned by Nam Estates Private Limited and mortgaged to REL.
9. Sy.No.3/233 measuring 21 guntas, Conversion Order No.ALN.SR(NA).27/05-06 situated at Navarathna Agrahara Village, Jala Hobli, Bangalore North Taluk, Bangalore District owned by Nam Estates Private Limited and mortgaged to REL.
10. Sy.No.3/234 measuring 21 guntas, Conversion Order No.ALN.SR(NA).27/05-06 situated at Navarathna Agrahara Village, Jala Hobli, Bangalore North Taluk, Bangalore District owned by Nam Estates Private Limited and mortgaged to REL.
11. Sy.No.3/240 measuring 1 acre, Conversion Order No.ALN.SR(NA).27/05-06 situated at Navarathna Agrahara Village, Jala Hobli, Bangalore North Taluk, Bangalore District owned by Nam Estates Private Limited and mortgaged to REL.
12. Sy.No.3/220 measuring 1 acre 3 guntas, Conversion Order No.ALN.SR(NA).27/05-06 situated at Navarathna Agrahara Village, Jala Hobli, Bangalore North Taluk, Bangalore District owned by Nam Estates Private Limited and mortgaged to REL.
13. Sy.No.3/237 measuring 30 guntas, Conversion Order No.ALN.SR(NA).27/05-06 situated at Navarathna Agrahara Village, Jala Hobli, Bangalore North Taluk, Bangalore District owned by Nam Estates Private Limited and mortgaged to REL.

								14. Sy.No.3/218 measuring 1 acre 3 guntas, Conversion Order No.ALN.SR(NA).27/05-06 situated at Navarathna Agrahara Village, Jala Hobli, Bangalore North Taluk, Bangalore District owned by Nam Estates Private Limited and mortgaged to REL.
8	Rajesh Exports Limited	120.00	120.00	24.00%	Not less than 18 months from 30 January 2009	None specified	Non payment of interest for a period of 3 months shall be construed as default in terms of ICD agreement and Rajesh Exports Ltd shall be entitled to enforce the security in terms of the mortgage deed executed by EPDL in favour of REL after providing 10 days notice to rectify the breach and such breach being not rectified during the notice period.	Personal guarantee of Mr. Jitendra Virwani and mortgage of the following assets: Sy.No.51/P45, 50/P11, 51/P18, 51/P4, 51/P13, 51/P15, 51/P43, 51/P23, 50/P2, 50/P4, 50/P5, 50/P10, 51/P14, 51/P7, 51/P10, 51/P21, 51/P22, 51/P5, 50/P1, 51/P2, 51/P32, 51/P24, 51/P11, 51/P12, 51/P17, 50/P09, 50/P12, 50/P13, 51/P1, 51/P6, 51/P33, 50/P8, 51/P3, 51/P31, 51/P44, 50/P3, 51/P14, 51/P16, 51/P20 & 51/P9 measuring 35 acres 9 guntas situated at Nagamangala, Bangalore registered in favour of M/s Swire Investments Private Limited

9	Rajesh Exports Limited	200.00	200.00	24.00%	Not less than 18 months from 30 January 2009	None specified	Non payment of interest for a period of 3 months shall be construed as default in terms of ICD agreement and Rajesh Exports Ltd shall be entitled to enforce the security in terms of the mortgage deed executed by EPDL in favour of REL after providing 10 days notice to rectify the breach and such breach being not rectified during the notice period.	Personal guarantee of Mr. Jitendra Virwani and mortgage of the following assets:Sy.No.49/2, 52/1, 52/2, 52/3 measuring 18 acres, 11 guntas situated at Nagamangala, Bangalore registered in favor of M/sNam Estates Pvt Ltd & Sy.No.56, 46, 42, 43, 44/1, 44/2, 44/3, 45/1, 45/2, 58, measuring 38 acres situated at Heggenahalli, Bangalore registered in favour of Nam Estates Private Limited
10	Federal Bank	18.00	19.00	7.25-11.25%	To be repaid on withdrawal of the fixed deposit given as security	None specified	None specified	Charge created against fixed deposit held by Umbel Properties Private Limited and GV Properties Private Limited.
11	Citibank N. A.	1.80	0.65	11.51%	Repayable in 36 Monthly installments of Rs.59,365 each commencing January 2008	None specified	The bank is entitled to take repossession of the hypotheticated vehicle	1. Exclusive charge on the vehicles
	Total		**2,141.80**					

ANNEXURE - X

DETAILS OF UNSECURED LOAN, AS RESTATED

(Rs in millions)	As at 31 March					As at 28 Feb
PARTICULARS	**2005**	**2006**	**2007**	**2008**	**2009**	**2010**
From Promoters and Group Companies of Promoters	286.02	807.67	732.72	744.78	1,044.62	855.84
From others	15.04	2.74	0.89	4.00	255.73	256.21
Total	**301.06**	**810.41**	**733.61**	**748.78**	**1,300.35**	**1,112.05**
Rate of interest on Promoters Group loans	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Rate of interest on other loans	–	–	–	12%	0% – 12%	0% – 12%

Notes:

1 The figures disclosed above are based on the Restated Summary Statements of Embassy Property Developments Limited.

2 The list of persons/entities classified as 'Promoters' and 'Group Companies of Promoters' has been determined by the Management and relied upon by auditors. The auditors have not performed any procedures to determine whether this list is accurate or complete.

Details of unsecured loans taken from Promoters and Group Companies of Promoters as at 28 February 2010 are as below:

(Rs in millions) Name of the promoter / group company	Amount outstanding as at 28 February 2010	Rate of interest	Repayment terms
From Promoters and Group Companies of Promoters			
DSRK Holdings Private Limited	526.25	0%	On demand
Saltire Developers Private Limited	141.97	0%	On demand
M D Realtors Private Limited	66.11	0%	On demand
More Finanshare Investments Private Limited	61.36	0%	On demand
J V Holding Private Limited	32.77	0%	On demand
Pet Properties & Constructions Private Limited	10.24	0%	On demand
Infantry Holdings Private Limited	8.65	0%	On demand
Narpat Singh Choraria	8.49	0%	On demand
From others			
Brindavan Beverages Private Limited	251.73	Refer note 1	On demand
Jumna's	4.48	12%	On demand

Note:

1 In respect of the loan taken from Brindavan Beverages Private Limited, interest and other terms are yet to be agreed upon. However, the Group has obtained interest waiver letter for the period up to 28 February 2010.

ANNEXURE - XI

DETAILS OF INVESTMENT, AS RESTATED

(Rs in millions)	As at 31 March					As at 28 Feb
PARTICULARS	**2005**	**2006**	**2007**	**2008**	**2009**	**2010**
A) Long term investment, unquoted						
Investment in equity shares of subsidiary, joint ventures and associate companies						
Pune Dynasty Projects Private Limited	–	–	0.50	0.52	0.63	0.63
Pune Embassy Projects Private Limited	–	–	0.50	0.52	3.34	3.34
Worldcrown Limited	–	–	–	0.39	11.78	177.48
Dynasty Busniess Parks Sdn Bhd, Malaysia	–	–	–	0.00	0.00	0.00
Guruprasad Hotels Private Limited	–	14.00	0.02	0.01	–	–
Embassy Real Estate Properties & Holdings Private Limited	–	1.30	1.30	1.30	3.85	3.85
Concord India Private Limited	–	–	–	34.61	4,364.08	4,364.10
Concord India Private Limited - share warrants	–	–	–	–	0.10	0.30
Manyata Promoters Private Limited	–	–	–	–	4,412.72	4,308.90
DSRK Holdings Private Limited	–	–	–	–	3,727.51	3,897.48
DSRK Holdings (Chennai) Private Limited	–	–	–	–	2.55	–
RGE Constructions and Development Private Limited	–	–	–	1.57	1.57	1.57
Embassy Projects Private Limited	–	–	–	–	0.10	0.10
Golf Links Software Park Private Limited	–	–	–	–	0.98	0.98
Nam Estates Private Limited	–	–	–	–	0.46	0.46
Saphire Realtors Private Limited	–	–	–	–	21.45	21.45
Swire Investments Private Limited	–	–	–	–	0.10	0.10
Saltire Developers Private Limited	–	–	–	–	9.90	–
Umbel Properties Private Limited	–	–	–	–	33.19	33.19
D M Estates Private Limited	–	–	–	–	0.20	0.20
G V Properties Private Limited	–	–	–	–	0.05	0.05
Blue Lagoon Real Estate Private Limited	–	–	–	–	–	0.50
Neptune Real Estate Private Limited	–	–	–	–	–	0.50
Trafalgar Estates & Properties Private Limited	–	–	–	–	–	0.05
Span Ventures Private Limited	–	–	–	–	–	10.59
Investment in capital of partnership firms						
Embassy Brindavan Developers	2.00	2.00	2.00	2.00	2.00	–
Embassy Development Corporation	–	0.10	0.10	0.10	0.30	–
Global Façade Solutions	0.05	0.05	0.05	–	–	–
Magrath Property Developers	0.50	0.50	0.50	0.50	0.50	0.50
Embassy - ANL Consortium	2.37	107.68	107.68	107.66	107.66	107.66
Mall Ventures	–	–	–	0.05	0.05	–
Swire Properties	–	–	–	0.05	0.05	0.05

(Rs in millions)	As at 31 March					As at 28 Feb
PARTICULARS	**2005**	**2006**	**2007**	**2008**	**2009**	**2010**
Investment in equity shares of other companies						
Embassy Constructions and Development Private Limited	–	–	–	–	1.41	–
Swire Holdings Private Limited	–	–	–	–	2.85	–
Other group companies	–	–	–	–	0.46	–
Investment in debentures issued by companies						
Unquoted - in associates/ group companies						
DSRK Holdings Private Limited	–	–	100.00	100.00	100.00	100.00
RGE Constructions and Development Private Limited	–	–	–	200.86	200.86	200.86
Span Ventures Private Limited	–	–	–	–	–	198.95
Total (A)	**4.92**	**125.63**	**212.65**	**450.15**	**13,010.70**	**13,433.83**
B. Short term, non trade investments, unquoted						
Investments in mutual funds	–	–	15.80	27.03	27.62	24.12
Ojas Industrial Private Limited	–	–	31.00	31.00	–	–
Integrated Labway Private Limited	0.05	0.05	0.05	0.05	0.05	0.05
Guruvayoor Constructions Private Limited	5.00	5.00	–	–	–	–
Indra Vikas Patra	0.00	0.00	0.00	0.00	0.00	0.00
Total (B)	**5.05**	**5.05**	**46.85**	**58.08**	**27.67**	**24.17**
C. Short term, non trade investments, quoted						
Investments in equity shares of listed companies	–	–	–	–	0.53	–
ICICI Bank Limited	–	–	–	–	–	0.13
Bharat Earth Movers Limited	–	–	–	–	–	0.11
JSW Steel Limited	–	–	–	–	–	0.17
Tata Steel Limited	–	–	–	–	–	0.13
Essel Propack Limited	–	–	–	–	–	0.00
Galada Power and Telecom Limited	–	–	–	–	–	0.01
Kirloskar Brothers Limited	–	–	–	–	–	0.13
Samtel Color Limited	–	–	–	–	–	0.01
Andhra Sugar Limited	–	–	–	–	–	0.00
Saurashtra Cements Limited	–	–	–	–	–	0.02
Total (C)	**–**	**–**	**–**	**–**	**0.53**	**0.70**
Grand total (A) + (B) + (C)	**9.97**	**130.68**	**259.50**	**508.23**	**13,038.90**	**13,458.71**
Aggregate book value and market value of quoted investments	NA	NA	NA	NA	0.53	0.70

Note:

1 The figures disclosed above are based on the Restated Summary Statements of Embassy Property Developments Limited.

ANNEXURE - XII

STATEMENT OF SUNDRY DEBTORS, AS RESTATED

(Rs in millions)	As at 31 March					As at 28 Feb
PARTICULARS	**2005**	**2006**	**2007**	**2008**	**2009**	**2010**
Unsecured, considered good						
Debts outstanding for a period exceeding six months from						
- From Promoters and Group Companies of Promoters	-	81.41	228.79	315.95	315.95	80.29
- Others	6.44	10.02	0.26	6.87	7.22	2.18
Total (A)	6.44	91.43	229.05	322.82	323.17	82.47
Other debts						
- From Promoters and Group Companies of Promoters	107.05	169.61	87.15	-	65.88	53.70
- Others	33.70	0.46	7.63	284.25	90.70	81.66
Total (B)	140.75	170.07	94.78	284.25	156.58	135.36
TOTAL (A+B)	**147.19**	**261.50**	**323.83**	**607.07**	**479.75**	**217.83**

Notes:

1 The figures disclosed above are based on the Restated Summary Statements of Embassy Property Developments Limited.

2 The list of persons/entities classified as 'Promoters' and 'Group Companies of Promoters' has been determined by the Management and relied upon by auditors. The auditors have not performed any procedures to determine whether this list is accurate or complete.

ANNEXURE - XIII

STATEMENT OF OTHER CURRENT ASSETS & LOANS AND ADVANCES AS RESTATED

(Rs in millions)	As at 31 March					As at 28 Feb
PARTICULARS	**2005**	**2006**	**2007**	**2008**	**2009**	**2010**
Other current assets						
Unbilled revenue						
- From Promoters and Group Companies of Promoters	–	–	–	–	–	–
- Others	–	–	–	9.60	2.15	–
Receivable for sale of shares						
- From Promoters and Group Companies of Promoters	–	–	–	–	112.96	–
- Others	–	–	–	–	16.40	–
Receivable for sale of assets						
- From Promoters and Group Companies of Promoters	–	–	–	–	960.29	34.69
- Others	–	–	–	–	–	–
Current account balance in partnership firms						
- From Promoters and Group Companies of Promoters	42.51	597.78	298.07	1,234.32	594.12	341.11
- Others	–	–	–	–	–	–
Receivable on account of demerger of assets						
- From Promoters and Group Companies of Promoters	–	–	–	–	–	127.53
- Others	–	–	–	–	–	–
	42.51	**597.78**	**298.07**	**1,243.92**	**1,685.93**	**503.33**
Loans and advances						
(Unsecured, considered good)						
Advances recoverable in cash or in kind or for value to be received						
- From Promoters and Group Companies of Promoters	–	96.23	239.55	39.62	108.50	55.39
- Others	596.11	1,071.32	810.88	30.12	41.84	97.69
Advance paid for purchase of land						
- From Promoters and Group Companies of Promoters	–	97.03	654.15	426.23	417.33	134.76
- Others	1,101.23	891.91	376.66	1,179.68	820.49	462.18
Advances paid towards jointly developable properties						
- From Promoters and Group Companies of Promoters	41.05	169.23	458.23	612.16	690.85	619.59
- Others	33.25	111.30	201.38	284.78	284.06	224.46
Advance paid under share purchase agreement						
- From Promoters and Group companies of Promoters	–	–	–	–	–	–
- Others	–	340.00	340.00	340.00	398.54	340.00

(Rs in millions)	As at 31 March					As at 28 Feb
PARTICULARS	**2005**	**2006**	**2007**	**2008**	**2009**	**2010**
Application money for allotment of optionally convertible redeemable debentures						
- From Promoters and Group Companies of Promoters	–	–	–	–	–	431.45
- Others	–	–	–	–	–	–
Loans to subsidiaries and associate companies						
- From Promoters and Group Companies of Promoters	2.57	162.26	660.84	146.62	571.86	384.04
- Others	–	–	–	–	–	–
Inter corporate deposit						
- From Promoters and Group Companies of Promoters	–	–	–	–	–	–
- Others	–	–	–	–	–	101.38
Balance with government authorities						
- From Promoters and Group Companies of Promoters	–	–	–	–	–	–
- Others	–	–	–	15.91	36.11	41.92
Deposits						
- From Promoters and Group Companies of Promoters	–	–	–	–	–	–
- Others	2.90	3.90	5.22	6.42	6.26	6.63
Advance tax (net of provision for taxation)						
- From Promoters and Group Companies of Promoters	–	–	–	–	–	–
- Others	–	5.74	25.37	48.06	28.43	–
(Unsecured, considered doubtful)						
Advance towards purchase of land						
- From Promoters and Group Companies of Promoters	–	–	–	–	103.53	115.55
- Others	–	–	–	–	–	–
Less: Provision for doubtful loans and advances	–	–	–	–	(103.53)	(115.55)
	1,777.11	**2,948.92**	**3,772.28**	**3,129.60**	**3,404.27**	**2,899.49**
TOTAL	**1,819.62**	**3,546.70**	**4,070.35**	**4,373.52**	**5,090.20**	**3,402.82**

Notes:

1 The figures disclosed above are based on the Restated Summary Statements of Embassy Property Developments Limited.

2 The list of persons/entities classified as 'Promoters' and 'Group Companies of Promoters' has been determined by the Management and relied upon by auditors. The auditors have not performed any procedures to determine whether this list is accurate or complete.

ANNEXURE - XIV

DETAILS OF CONTINGENT LIABILITIES, AS RESTATED

(Rs in millions)	As at 31 March					As at 28 Feb
PARTICULARS	**2005**	**2006**	**2007**	**2008**	**2009**	**2010**
Commitment for purchase of shares in:						
- Gordon Woodroffe Limited	–	2,131.40	2,131.40	2,131.40	2,131.40	2,131.40
Guarantees :						
- Corporate guarantee for loan taken by a Group Company	–	–	–	–	3,400.88	6,118.90
Capital commitments	**–**	**–**	**–**	**–**	**273.62**	**143.39**

Note:

1 The figures disclosed above are based on the Restated Summary Statements of Embassy Property Developments Limited.

ANNEXURE - XV

CAPITALISATION STATEMENT

Rs in millions **PARTICULARS**	**Pre-issue as at 28 February 2010**	**Post issue**
Short term debt	2,135.46	[●]
Long term debt (A)	1,118.39	[●]
	3,253.85	[●]
Shareholders funds		
Share capital	25.59	[●]
Reserves and surplus	13,835.60	[●]
Total shareholders funds (B)	**13,861.19**	[●]
Long term debt/ equity (A/B)	**0.08:1**	**Not available**

Notes:

1 The figures disclosed above are based on the Restated Summary Statements of Embassy Property Developments Limited.

2 Post issue details have not been provided as the share price if the issue is not known at the date of the report.

ANNEXURE - XVI

DETAILS OF THE LIST OF RELATED PARTIES AND NATURE OF RELATIONSHIPS

Particulars	Year ended 31 March 2005	Year ended 31 March 2006	Year ended 31 March 2007	Year ended 31 March 2008	Year ended 31 March 2009	From 1 April 2009 to 28 February2010
Key Management Personnel	Jitendra Virwani	Jitendra Virwani	Jitendra Virwani	Jitendra Virwani	Jitendra Virwani	Jitendra Virwani
	Narpat Singh Choraria	Narpat Singh Choraria	Narpat Singh Choraria	Narpat Singh Choraria	Narpat Singh Choraria	Narpat Singh Choraria
	K Y Gopi Krishnan	K Y Gopi Krishnan	K Y Gopi Krishnan	K Y Gopi Krishnan	K Y Gopi Krishnan	K Y Gopi Krishnan
Relatives of Key Management Personnel	Vandana Virwani	Vandana Virwani	Vandana Virwani	Vandana Virwani	Vandana Virwani	Vandana Virwani
	Neel Virwani	Neel Virwani	Neel Virwani	Neel Virwani	Neel Virwani	Neel Virwani
	Karan Virwani	Karan Virwani	Karan Virwani	Karan Virwani	Karan Virwani	Karan Virwani
Enterprises where control exists	-	-	-	-	J V Holding Private Limited	J V Holding Private Limited
Enterprises having significant influence over the Company	Dynasty Stock Holdings Private Limited	Dynasty Stock Holdings Private Limited	Dynasty Stock Holdings Private Limited	-	-	-
	Embassy Finvest Private Limited	Embassy Finvest Private Limited	Embassy Finvest Private Limited	-	-	-
	-	-	-	Embassy Leasing Private Limited	-	-
	-	-	-	Swire Investments Private Limited	-	-
Individuals, Associates and Companies under common control with whom transactions have taken place	Magrath Properties Private Limited	Magrath Properties Private Limited	Magrath Properties Private Limited	Magrath Properties Private Limited	Magrath Properties Private Limited	-
	Dynasty Holdings Private Limited	Dynasty Holdings Private Limited	-	-	-	Dynasty Holdings Private Limited

Particulars	Year ended 31 March 2005	Year ended 31 March 2006	Year ended 31 March 2007	Year ended 31 March 2008	Year ended 31 March 2009	From 1 April 2009 to 28 February2010
	Ditrita Developers Private Limited	Ditrita Developers Private Limited	Ditrita Developers Private Limited	Ditrita Developers Private Limited	Ditrita Developers Private Limited	Ditrita Developers Private Limited
	Pet Properties and Constructions Private Limited	Pet Properties and Constructions Private Limited	Pet Properties and Construction s Private Limited	-	-	Pet Properties and Constructions Private Limited
	Swire Holdings Private Limited	-	-	-	-	-
	Embassy Interiors Private Limited	-	-	-	-	-
	Udhyaman Investments Private Limited	-	Udhyaman Investments Private Limited	-	-	Udhyaman Investments Private Limited
	Infantry Holdings Private Limited	Infantry Holdings Private Limited	-	-	-	Infantry Holdings Private Limited
	Embassy Construction & Development Private Limited	Embassy Construction & Development Private Limited	Embassy Construction & Development Private Limited	-	-	Embassy Construction & Development Private Limited
	Nam Estates Private Limited	Nam Estates Private Limited	Nam Estates Private Limited	Nam Estates Private Limited	Nam Estates Private Limited	Nam Estates Private Limited
	DSRK Holdings Private Limited	DSRK Holdings Private Limited	DSRK Holdings Private Limited	DSRK Holdings Private Limited	DSRK Holdings Private Limited	DSRK Holdings Private Limited
	-	-	Saltire Developers Private Limited	Saltire Developers Private Limited	-	Saltire Developers Private Limited
	Sudha Sree Hotel Complex Private Limited	Sudha Sree Hotel Complex Private Limited	Sudha Sree Hotel Complex Private Limited	-	-	-
	-	Raffles Square Development Corporation Private Limited	Raffles Square Development Corporation Private Limited	-	-	Raffles Square Development Corporation Private Limited

Particulars	Year ended 31 March 2005	Year ended 31 March 2006	Year ended 31 March 2007	Year ended 31 March 2008	Year ended 31 March 2009	From 1 April 2009 to 28 February2010
	Swire Investments Private Limited	Swire Investments Private Limited	Swire Investments Private Limited	-	Swire Investments Private Limited	Swire Investments Private Limited
	-	-	Embassy Brindavan Developers	-	-	Embassy Brindavan Developers
	-	-	-	-	JV Holding Private Limited	JV Holding Private Limited
	-	-	-	More Finanshare Investments Private Limited	More Finanshare Investments Private Limited	More Finanshare Investments Private Limited
	Saphire Realtors Private Limited	Saphire Realtors Private Limited	Saphire Realtors Private Limited	Saphire Realtors Private Limited	Saphire Realtors Private Limited	Saphire Realtors Private Limited
	-	Wild Flowers Estate and Resorts Private Limited	Wild Flowers Estate and Resorts Private Limited	Wild Flowers Estate and Resorts Private Limited	Wild Flowers Estate and Resorts Private Limited	Wild Flowers Estate and Resorts Private Limited
	-	-	DSRK Holdings (Chennai) Private Limited	DSRK Holdings (Chennai) Private Limited	DSRK Holdings (Chennai) Private Limited	DSRK Holdings (Chennai) Private Limited
	Embassy Real Estate Properties & Holdings Private Limited	Embassy Real Estate Properties & Holdings Private Limited	Embassy Real Estate Properties & Holdings Private Limited	Embassy Real Estate Properties & Holdings Private Limited	Embassy Real Estate Properties & Holdings Private Limited	Embassy Real Estate Properties & Holdings Private Limited
	Oakwood Developers Private Limited	-	Oakwood Developers Private Limited	Oakwood Developers Private Limited	Oakwood Developers Private Limited	Oakwood Developers Private Limited
	-	-	Nam Investments Private Limited	Nam Investments Private Limited	Nam Investments Private Limited	Nam Investments Private Limited
	-	-	-	Swire Properties	Swire Properties	Swire Properties
	Embassy Projects Private Limited	-	Embassy Projects Private Limited	Embassy Projects Private Limited	Embassy Projects Private Limited	Embassy Projects Private Limited
	Umbel Properties Private Limited	-	Umbel Properties Private Limited	Umbel Properties Private Limited	Umbel Properties Private Limited	Umbel Properties Private Limited

Particulars	Year ended 31 March 2005	Year ended 31 March 2006	Year ended 31 March 2007	Year ended 31 March 2008	Year ended 31 March 2009	From 1 April 2009 to 28 February2010
	Global Façade Solutions	Global Façade Solutions	-	-	-	-
	Embassy ANL Consortium	Embassy ANL Consortium	Embassy ANL Consortium	Embassy ANL Consortium	Embassy ANL Consortium	Embassy ANL Consortium
	Embassy Development Corporation	Embassy Development Corporation	Embassy Development Corporation	Embassy Development Corporation	Embassy Development Corporation	Embassy Development Corporation
	Embassy Management Consultants Private Limited	Embassy Management Consultants Private Limited	-	-	-	-
	Narpat Holdings Private Limited	Narpat Holdings Private Limited	-	-	-	-
	-	-	-	Embassy Finvest Private Limited	Embassy Finvest Private Limited	-
	Embassy Realtors Private Limited	-	-	-	-	-
	Manyata Promoters Private Limited	Manyata Promoters Private Limited	Manyata Promoters Private Limited	Manyata Promoters Private Limited	Manyata Promoters Private Limited	Manyata Promoters Private Limited
	Embassy Knowledge Infrastructure Projects Private Limited	Embassy Knowledge Infrastructure Projects Private Limited	-	Embassy Knowledge Infrastructure Projects Private Limited	Embassy Knowledge Infrastructure Projects Private Limited	Embassy Knowledge Infrastructure Projects Private Limited
	Embassy Home Investments Private Limited	-	-	Embassy Home Investments Private Limited	-	-
	Nicholl Properties Private Limited	-	-	-	-	-
	-	-	Dynasty Business Parks Sdn Bhd Malaysia	Dynasty Business Parks Sdn Bhd Malaysia	Dynasty Business Parks Sdn Bhd Malaysia	Dynasty Business Parks Sdn Bhd Malaysia
	-	-	D M Estates Private Limited	D M Estates Private Limited	D M Estates Private Limited	D M Estates Private Limited

Particulars	Year ended 31 March 2005	Year ended 31 March 2006	Year ended 31 March 2007	Year ended 31 March 2008	Year ended 31 March 2009	From 1 April 2009 to 28 February2010
	Dynasty Properties Private Limited	Dynasty Properties Private Limited	Dynasty Properties Private Limited	-	-	Dynasty Properties Private Limited
	-	-	Maoj Investments Private Limited	-	-	-
	-	-	Pune Embassy Projects Private Limited	Pune Embassy Projects Private Limited	Pune Embassy Projects Private Limited	Pune Embassy Projects Private Limited
	-	-	Pune Dynasty Projects Private Limited	Pune Dynasty Projects Private Limited	Pune Dynasty Projects Private Limited	Pune Dynasty Projects Private Limited
	-	-	Guruprasad Hotels Private Limited	-	-	-
	Embassy Services Private Limited	-	Embassy Services Private Limited	-	Embassy Services Private Limited	Embassy Services Private Limited
	-	Embassy Shelters Private Limited	Embassy Shelters Private Limited	-	-	Embassy Shelters Private Limited
	-	-	-	-	Embassy Leasing Private Limited	-
	-	-	-	-	GV Properties Private Limited	GV Properties Private Limited
	M D Realtors Private Limited	-	-	-	-	M D Realtors Private Limited
	Concord India Private Limited	Concord India Private Limited	Concord India Private Limited	Concord India Private Limited	Concord India Private Limited	Concord India Private Limited
	Golf Links Software Park Private Limited	Golf Links Software Park Private Limited	Golf Links Software Park Private Limited	Golf Links Software Park Private Limited	Golf Links Software Park Private Limited	Golf Links Software Park Private Limited
	Embassy Holdings	Embassy Holdings	Embassy Holdings	Embassy Holdings	Embassy Holdings	Embassy Holdings
	-	-	-	Mall Ventures	Mall Ventures	Mall Ventures
	-	-	-	-	Embassy Management Services Private Limited	-

Particulars	Year ended 31 March 2005	Year ended 31 March 2006	Year ended 31 March 2007	Year ended 31 March 2008	Year ended 31 March 2009	From 1 April 2009 to 28 February2010
	-	-	-	Worldcrown Limited	Worldcrown Limited	Worldcrown Limited
	-	-	-	-	-	Blue Lagoon Real Estate Private Limited
	-	-	-	-	-	Neptune Real Estate Private Limited
	-	-	-	-	-	Starwood Properties Private Limited
	-	-	-	-	-	L J Victoria Properties Private Limited
	-	-	-	-	-	Span Ventures Private Limited
	-	-	-	-	-	Polywood Properties Private Limited
	-	-	-	-	-	Embassy Housing Finance And Development Private Limited
	-	-	-	-	-	Vijaygi Investments Private Limited
	M D Properties Private Limited	M D Properties Private Limited	-	-	-	M D Properties Private Limited
Partnership firm in which the Company is a partner	Embassy Development Corporation	Embassy Development Corporation	Embassy Development Corporation	-	-	-
	Magrath Property Developers	Magrath Property Developers	Magrath Property Developers	Magrath Property Developers	Magrath Property Developers	Magrath Property Developers
	Global Façade Solutions	Global Façade Solutions	-	-	-	-
	Embassy ANL Consortium	Embassy ANL Consortium	Embassy ANL Consortium	Embassy ANL Consortium	Embassy ANL Consortium	Embassy ANL Consortium
	-	-	-	Swire Properties	Swire Properties	Swire Properties
	-	-	-	Mall Ventures	Mall Ventures	Mall Ventures (till 1 April 2009)
	Davis Investments	-	-	-	-	-
	-	-	Embassy Brindavan Developers	-	-	Embassy Brindavan Developers (till 1 April 2009)

Notes:

1 The figures disclosed above are based on the Restated Summary Statements of Embassy Property Developments Limited.

2 Above disclosures are made in accordance with Accounting Standard (AS) 18 “Related Parties” prescribed by the Companies (Accounting Standards) Rules, 2006.

ANNEXURE - XVI (continued)

DISCLOSURES OF SIGNIFICANT TRANSACTIONS WITH RELATED PARTIES

	For the year ended 31 March					From 1 April 2009 to 28 February
ENTITY	**2005**	**2006**	**2007**	**2008**	**2009**	**2010**
Unsecured loan repaid						
Magrath Properties Private Limited	427.06	64.36	31.35	–	145.03	–
Dynasty Holdings Private Limited	0.05	35.53	–	–	–	–
Jitendra Virwani	156.14	383.41	152.14	–	–	–
Ditrita Developers Private Limited	3.49	13.00	–	–	–	–
Pet Properties and Constructions Private Limited	3.57	20.00	–	–	–	294.22
Swire Holdings Private Limited	0.10	–	–	–	–	–
Embassy Interiors Private Limited	0.06	–	–	–	–	–
Udhyaman Investments Private Limited	7.32	–	–	–	–	–
Dynasty Stock Holdings Private Limited	–	57.38	2.40	–	–	–
Infantry Holdings Private Limited	–	1.25	–	–	–	8.32
Embassy Construction & Development Private Limited	–	76.75	0.96	–	–	62.38
Nam Estates Private Limited	–	14.70	–	–	–	–
DSRK Holdings Private Limited	–	–	615.63	17.70	0.16	5.26
Saltire Developers Private Limited	–	–	10.20	–	0.12	110.92
Sudha Sree Hotel Complex Private Limited	–	–	48.20	–	–	–
Raffles Square Development Corporation Private Limited	–	–	31.90	–	–	31.85
Embassy Brindavan Developers	–	–	10.00	–	–	–
Swire Investments Private Limited	–	–	0.88	–	–	–
More Finanshare Investments Private Limited	–	–	–	–	–	119.52
JV Holding Private Limited	–	–	–	–	–	9.00
Unsecured loan received						
Magrath Properties Private Limited	351.10	110.72	15.69	1.97	–	–
Jitendra Virwani	337.14	205.34	159.06	–	54.28	36.02
Dynasty Holdings Private Limited	0.05	–	–	–	–	–
Ditrita Developers Private Limited	1.58	13.00	–	–	–	–
Pet Properties and Constructions Private Limited	3.57	20.00	–	–	–	304.46
Udhyaman Investments Private Limited	6.27	–	–	–	–	–
Swire Holdings Private Limited	0.10	–	–	–	–	–
Vandana Virwani	0.24	–	–	–	–	–
Nam Estates Private Limited	–	14.70	–	–	–	–
DSRK Holdings Private Limited	–	665.40	535.13	–	–	–
Dynasty Stock Holdings Private Limited	–	52.97	–	–	–	–
Raffles Square Development Corporation Private Limited	–	31.90	–	–	–	–
Embassy Construction & Development Private Limited	–	77.73	–	7.04	45.05	10.27
Infantry Holdings Private Limited	–	1.25	–	–	–	16.97
Saltire Developers Private Limited	–	–	20.50	0.71	–	242.00
Sudha Sree Hotel Complex Private Limited	–	–	48.20	–	–	–

ENTITY	For the year ended 31 March 2005	2006	2007	2008	2009	From 1 April 2009 to 28 February 2010
Embassy Brindavan Developers	–	–	10.00	–	–	–
JV Holdings Private Limited	–	–	–	–	58.54	–
Swire Investments Private Limited	–	–	2.85	–	–	–
More Finanshare Investments Private Limited	–	–	–	43.54	26.00	111.35
Narpat Singh Choraria	–	–	–	–	8.49	–
Unsecured loan assigned on account of merger						
M D Realtors Private Limited	–	–	–	–	–	66.11
JV Holding Private Limited	–	–	–	–	–	41.77
Advance given for purchase of land						
Saphire Realtors Private Limited	248.28	0.42	6.97	3.75	–	13.47
Wild Flowers Estate and Resorts Private Limited	–	5.00	129.78	190.00	–	–
DSRK Holdings (Chennai) Private Limited	–	–	400.03	–	–	–
Advance recovered for purchase of land						
Saphire Realtors Private Limited	(233.40)	–	–	–	(8.89)	–
Udhyaman Investments Private Limited	–	–	–	–	–	(50.65)
Wild Flowers Estate and Resorts Private Limited	–	–	–	–	–	(324.78)
Advance given/ (recovered) towards jointly developable properties						
Nam Estates Private Limited	–	30.55	32.61	(38.58)	44.93	15.19
Ditrita Developers Private Limited	–	18.54	26.86	4.42	(35.51)	22.50
Embassy Real Estate Properties & Holdings Private Limited	109.24	120.14	210.06	0.03	(64.99)	0.02
Oakwood Developers Private Limited	–	–	18.47	(0.98)	0.00	35.07
Nam Investments Private Limited	–	–	1.01	21.50	(21.50)	1.27
Swire Properties	–	–	–	94.16	44.93	(100.00)
Embassy Projects Private Limited	–	–	–	39.71	77.47	82.08
Umbel Properties Private Limited	–	–	–	31.88	(10.19)	30.10
Swire Investments Private Limited	–	–	–	(0.36)	43.55	0.66
Advances/ Loans given						
Embassy Construction & Development Private Limited	79.16	0.60	31.76	–	–	1.36
DSRK Holdings Private Limited	10.00	659.60	–	–	–	–
Global Façade Solutions	2.63	0.40	–	–	–	–
Sudha Sree Hotel Complex Private Limited	0.59	2.00	1.39	–	–	–
Dynasty Stock Holdings Private Limited	10.74	27.61	–	–	–	–
Embassy ANL Consortium	2.37	121.23	–	–	–	–
Embassy Development Corporation	15.34	749.41	400.33	–	–	204.95
Swire Investments Private Limited	37.90	9.92	–	–	–	–
Embassy Management Consultants Private Limited	0.70	0.26	–	–	–	–
Narpat Holdings Private Limited	2.22	1.00	–	–	–	–
Embassy Projects Private Limited	0.07	–	–	–	–	–

ENTITY	For the year ended 31 March 2005	2006	2007	2008	2009	From 1 April 2009 to 28 February 2010
Udhyaman Investments Private Limited	1.23	–	85.77	–	–	–
Infantry Holdings Private Limited	28.00	–	–	–	–	–
Embassy Finvest Private Limited	172.80	328.10	–	–	–	–
Embassy Realtors Private Limited	15.10	–	–	–	–	–
Manyata Promoters Private Limited	200.00	17.98	–	–	–	–
Embassy Knowledge Infrastructure Projects Private Limited	0.11	1.40	–	–	–	82.98
Magrath Property Developers	146.65	7.34	46.10	–	–	–
Embassy Home Investments Private Limited	0.12	–	–	18.45	–	–
Nicholl Properties Private Limited	0.12	–	–	–	–	–
Oakwood Developers Private Limited	10.91	–	–	–	–	–
Umbel Properties Private Limited	–	–	0.16	–	–	–
Pet Properties and Constructions Private Limited	–	–	262.51	–	–	–
Raffles Square Development Corporation Private Limited	–	–	0.02	–	–	–
Saphire Realtors Private Limited	–	–	1.40	–	–	–
Embassy Brindavan Developers	–	–	0.03	–	–	–
Dynasty Business Parks Sdn Bhd Malaysia	–	–	64.95	3.01	30.39	–
D M Estates Private Limited	–	–	15.00	10.38	–	1.52
Dynasty Properties Private Limited	–	–	112.78	–	–	–
Maoj Investments Private Limited	–	–	0.05	–	–	–
Pune Embassy Projects Private Limited	–	–	0.03	–	–	–
Pune Dynasty Projects Private Limited	–	–	0.02	–	–	–
Embassy ANL Consortium	–	–	284.45	–	–	–
Guruprasad Hotels Private Limited	–	–	0.34	–	–	–
Embassy Finvest Private Limited	–	–	28.68	–	–	–
Embassy Projects Private Limited	–	–	1.40	–	–	–
Embassy Services Private Limited	–	–	3.31	–	–	–
Embassy Shelters Private Limited	–	–	1.08	–	–	–
Embassy Knowledge Infrastructure Projects Private Limited	–	–	–	8.60	192.22	–
Embassy Leasing Private Limited	–	–	–	26.20	–	–
GV Properties Private Limited	–	–	–	–	3.00	–
Jitendra Virwani	–	–	–	–	–	12.52
Advances/ Loans recovered						
Embassy Finvest Private Limited	170.23	168.41	6.40	194.01	–	–
Embassy Realtors Private Limited	15.10	–	–	–	–	–
Manyata Promoters Private Limited	100.00	–	–	–	–	–
DSRK Holdings Private Limited	11.92	659.60	–	–	–	–
Dynasty Stock Holdings Private Limited	128.43	27.61	–	–	–	–
Umbel Properties Private Limited	28.03	–	–	–	–	–
Embassy Development Corporation	34.09	206.40	715.21	–	–	–
Embassy Construction & Development Private Limited	82.16	4.01	31.76	–	–	–
Embassy Knowledge Infrastructure Projects Private Limited	0.41	–	–	–	–	14.45

ENTITY	For the year ended 31 March 2005	2006	2007	2008	2009	From 1 April 2009 to 28 February 2010
Magrath Property Developers	108.14	10.56	–	–	–	–
M D Realtors Private Limited	0.01	–	–	–	–	–
Embassy Management Consultants Private Limited	1.90	–	–	–	–	–
Narpat Holdings Private Limited	2.33	1.00	–	–	–	–
Embassy Home Investments Private Limited	0.23	–	–	–	–	–
Embassy Projects Private Limited	1.89	–	–	–	–	–
Udhyaman Investments Private Limited	1.23	–	20.00	–	–	–
Infantry Holdings Private Limited	38.90	–	–	–	–	–
Nicholl Properties Private Limited	0.67	–	–	–	–	–
Oakwood Developers Private Limited	53.32	–	–	–	–	–
Sudha Sree Hotel Complex Private Limited	–	4.61	5.04	–	–	–
Embassy Management Consultants Private Limited	–	0.26	–	–	–	–
Manyata Promoters Private Limited	–	117.98	–	–	–	–
Global Façade Solutions	–	2.40	–	–	–	–
Swire Investments Private Limited	–	50.97	–	–	–	–
Embassy Projects Private Limited	–	–	1.40	–	–	–
Embassy Shelters Private Limited	–	–	0.10	–	–	–
D M Estates Private Limited	–	–	1.50	–	–	–
Dynasty Properties Private Limited	–	–	137.42	–	–	–
GV Properties Private Limited	–	–	–	–	17.50	–
Nam Investments Private Limited	–	–	–	–	54.69	–
Nam Estates Private Limited	–	–	–	–	70.16	–
Dynasty Business Parks Sdn Bhd Malaysia	–	–	–	–	–	98.35
Transfer of assets pursuant to demerger						
Starwood Properties Private Limited	–	–	–	–	–	308.78
L J Victoria Properties Private Limited	–	–	–	–	–	229.01
Polywood Properties Private Limited	–	–	–	–	–	13.11
Udhyaman Investments Private Limited	–	–	–	–	–	382.00
Transfer of liabilities pursuant to demerger						
Starwood Properties Private Limited	–	–	–	–	–	58.24
L J Victoria Properties Private Limited	–	–	–	–	–	207.61
Assignment of liabilities						
Pune Embassy Projects Private Limited	–	–	–	–	–	696.98
Pune Dynasty Projects Private Limited	–	–	–	–	–	291.64
Udhyaman Investments Private Limited	–	–	–	–	–	370.35
Purchase of apartments						
Infantry Holdings Private Limited	25.79	–	–	–	–	–
Embassy Construction & Development Private Limited	0.09	–	–	–	–	–
DSRK Holdings Private Limited	1.05	–	–	–	–	–
Umbel Properties Private Limited	1.23	–	–	–	–	–
Magrath Property Developers	–	2.30	8.02	–	–	–

ENTITY	For the year ended 31 March 2005	2006	2007	2008	2009	From 1 April 2009 to 28 February 2010
Rent Deposit Paid						
Neel Virwani	–	1.00	–	–	–	–
Maintenance charges and other expenses						
Embassy Services Private Limited	0.90	–	–	–	8.81	–
Interest Income						
Embassy Knowledge Infrastructure Projects Private Limited	0.01	–	–	–	–	–
Embassy ANL Consortium	–	0.02	–	–	–	–
Udhyaman Investments Private Limited	–	–	2.03	–	–	–
Interest Expenses						
Magrath Properties Private Limited	10.20	13.81	–	–	–	–
Jitendra Virwani	–	15.86	–	–	–	–
Purchase of shares and debentures						
Concord India Private Limited	34.61	–	–	–	–	–
Embassy Real Estate Properties & Holdings Private Limited	–	1.30	–	–	–	–
DSRK Holdings Private Limited	–	100.00	0.05	–	1,075.01	–
Pune Embassy Projects Private Limited	–	–	0.50	–	–	–
Pune Dynasty Projects Private Limited	–	–	0.50	–	–	–
DSRK Holdings (Chennai) Private Limited	–	–	1.95	–	–	–
Jitendra Virwani	–	–	–	–	5.40	–
Worldcrown Limited	–	–	–	–	–	165.70
Wild Flowers Estate and Resorts Private Limited	–	–	–	–	–	1.00
Embassy Projects Private Limited	–	–	–	–	–	10.59
Span Ventures Private Limited	–	–	–	–	–	198.95
Sale of shares and debentures						
Embassy Shelters Private Limited	–	–	2.00	–	–	–
JV Holding Private Limited	–	–	–	–	60.96	–
Udhyaman Investments Private Limited	–	–	–	–	–	2.85
Application money paid for allotment of debentures						
Blue Lagoon Real Estate Private Limited	–	–	–	–	–	183.58
Neptune Real Estate Private Limited	–	–	–	–	–	247.88
Business consultancy income						
Golf Links Software Park Private Limited	248.11	374.09	222.07	28.73	7.46	3.64
Manyata Promoters Private Limited	–	64.48	114.45	171.84	147.00	136.64
DSRK Holdings Private Limited	–	–	20.00	–	–	–
Pune Embassy Projects Private Limited	–	–	–	–	61.56	4.83
Pune Dynasty Projects Private Limited	–	–	–	–	27.45	0.90
GV Properties Private Limited	–	–	–	–	49.21	5.17

ENTITY	For the year ended 31 March 2005	2006	2007	2008	2009	From 1 April 2009 to 28 February 2010
Umbel Properties Private Limited	–	–	–	–	27.15	20.08
Remuneration from Partnership Firm						
Magrath Property Developers	0.42	0.22	–	–	–	–
Purchase of Services						
Embassy Holdings (Management Fees)	2.20	5.44	6.00	–	–	–
Embassy Shelters Private Limited (Branding Fees)	–	0.03	0.10	–	–	–
Saphire Realtors Private Limited (Advertisement)	–	2.40	2.40	–	–	4.33
Embassy Services Private Limited (Service Charges)	–	0.91	–	–	–	–
Share of profit/ (loss) in partnership firm						
Magrath Property Developers	0.57	0.26	26.41	10.96	1.84	29.94
Embassy Development Corporation	(0.75)	(0.41)	0.05	(3.94)	(0.47)	–
Embassy Brindavan Developers	–	–	(0.11)	101.92	(0.00)	–
Mall Ventures	–	–	–	0.06	0.13	–
Swire Properties	–	–	–	0.02	(0.00)	–
Rental expense						
Jitendra Virwani	3.91	3.91	3.91	3.91	4.48	3.58
Karan Virwani	1.26	1.39	1.39	1.39	1.15	1.27
Neel Virwani	–	1.20	1.20	1.20	1.00	1.10
Expenditure incurred on behalf of others						
Pune Dynasty Projects Private Limited	–	–	–	–	98.83	–
Embassy Shelters Private Limited	–	–	–	–	–	0.11
Embassy Housing Finance And Development Private Limited	–	–	–	–	–	11.26
Dynasty Holdings Private Limited	–	–	–	–	–	10.61
Expenditure incurred on behalf of the Company						
Mall Ventures	–	–	–	–	47.66	–
Raffles Square Development Corporation Private Limited	–	–	–	–	–	0.76
Vijaygi Investments Private Limited	–	–	–	–	–	6.57
Dynasty Properties Private Limited	–	–	–	–	–	3.14
Advances given/ (received)/(assigned)						
Embassy Management Services Private Limited	–	–	–	–	29.18	–
Worldcrown Limited	–	–	–	7.01	56.60	–
Embassy Brindavan Developers	–	–	–	(139.59)	32.50	–
Magrath Property Developers	–	–	–	(99.94)	0.27	–
Embassy Development Corporation	–	–	–	571.43	(657.40)	–
Advances received/ (refunded) for property acquisition services						

ENTITY	For the year ended 31 March 2005	2006	2007	2008	2009	From 1 April 2009 to 28 February 2010
Concord India Private Limited	115.44	3.71	(1.67)	(71.62)	155.65	80.18
Dynasty Properties Private Limited	110.15	(138.72)	–	–	–	–
M D Properties Private Limited	(0.24)	23.69	–	–	–	–
Golf Links Software Park Private Limited	625.46	470.59	53.58	(216.92)	(20.87)	(357.95)
M D Realtors Private Limited	–	2.31	(1.33)	–	–	–
Embassy Realtors Private Limited	–	5.91	230.39	(3.69)	–	–
DSRK Holdings (Chennai) Private Limited	–	–	–	673.13	106.51	(2.31)
Pune Embassy Projects Private Limited	–	–	–	750.51	41.03	–
Pune Dynasty Projects Private Limited	–	–	–	227.21	–	–
Manyata Promoters Private Limited	–	–	–	–	30.00	0.47
Advance received for business consultancy services						
Manyata Promoters Private Limited	–	–	–	–	182.92	–
Umbel Properties Private Limited	–	–	–	–	40.92	–
Sale of assets						
Pet Properties and Constructions Private Limited	–	51.24	–	–	–	–
Pune Embassy Projects Private Limited	–	–	–	–	552.48	–
Pune Dynasty Projects Private Limited	–	–	–	–	227.52	–
Jitendra Virwani	–	–	–	–	–	149.86
Contract receipts						
Sudha Sree Hotel Complex Private Limited	22.05	7.42	–	–	–	–
K Y Gopi Krishnan	–	–	1.34	–	–	–
Project development fees paid						
Dynasty Properties Private Limited	–	232.18	–	–	–	–
Bad debts written off						
Guruprasad Hotels Private Limited	–	–	16.41	–	–	–
Proceeds from sale of rights in properties						
DSRK Holdings (Chennai) Private Limited	–	–	222.40	–	–	–
Purchase of undivided share in property						
Umbel Properties Private Limited	–	–	2.30	–	–	–
Guarantees given						
Embassy Knowledge Infrastructure Projects Private Limited	–	–	–	–	183.88	–
Others	–	–	–	0.09	7.07	–
Managerial remuneration						
Jitendra Virwani	2.81	2.58	29.87	1.85	56.00	18.29
KY Gopikrishnan	2.03	2.26	11.17	19.21	65.33	15.27
Narpat Singh Choraria	2.25	2.25	7.94	13.07	41.01	10.45

Notes

1 The figures disclosed above are based on the Restated Summary Statements of Embassy Property Developments Limited.

2 Above disclosures are made in accordance with Accounting Standard (AS) 18 “Related Parties” prescribed by the Companies (Accounting Standards) Rules, 2006.

ANNEXURE - XVI (continued)

DETAILS OF RELATED PARTIES OUTSTANDING BALANCES

	As at 31 March					As at 28 February
ENTITY	**2005**	**2006**	**2007**	**2008**	**2009**	**2010**
Unsecured loan						
Magrath Properties Private Limited	101.65	158.72	143.06	145.03	90.68	–
Jitendra Virwani	183.07	19.07	26.00	6.47	71.76	–
DSRK Holdings Private Limited	1.05	629.88	549.37	531.67	531.51	526.25
Vandana Virwani	0.24	–	–	–	0.02	–
Swire Investments Private Limited	–	–	1.97	–	–	–
Saltire Developers Private Limited	–	–	10.30	11.01	10.89	141.97
Infantry Holdings Private Limited	–	–	–	–	6.85	8.65
JV Holding Private Limited	–	–	–	–	58.54	32.77
Udhyaman Investments Private Limited	–	–	–	–	9.36	–
Embassy Construction & Development Private Limited	–	–	0.02	7.06	52.11	–
MD Realtors Private Limited	–	–	–	–	66.11	66.11
Dynasty Properties Private Limited	–	–	–	–	3.49	–
Umbel Properties Private Limited	–	–	–	–	10.78	–
Dynasty Stock Holdings Private Limited	–	–	2.00	–	–	–
More Finanshare Investments Private Limited	–	–	–	43.54	76.64	61.36
Narpat Singh Choraria	–	–	–	–	8.49	8.49
Pet Properties and Constructions Private Limited	–	–	–	–	–	10.24
Loans given						
Embassy Finvest Private Limited	2.57	162.26	195.54	1.53	–	–
Dynasty Busniess Parks Sdn Bhd Malaysia	–	–	64.95	67.96	98.35	–
D M Estates Private Limited	–	–	13.50	23.88	23.88	25.39
Embassy Knowledge Infrastructure Projects Private Limited	–	–	2.94	8.60	201.32	269.35
Embassy Shelters Private Limited	–	–	2.88	–	–	–
Sudha Sree Hotel Complex Private Limited	–	–	1.39	–	–	–
Umbel Properties Private Limited	–	–	0.16	–	–	–
Maoj Investments Private Limited	–	–	0.05	–	–	–
Pune Embassy Projects Private Limited	–	–	0.03	–	–	–
Pune Dynasty Projects Private Limited	–	–	0.02	–	–	–
Pet Properties and Constructions Private Limited	–	–	313.76	–	–	–
Raffles Square Development Corporation Private Limited	–	–	0.02	–	–	–
Udhyaman Investments Private Limited	–	–	65.77	–	–	–
Embassy Leasing Private Limited	–	–	–	26.20	–	–
Embassy Home Investments Private Limited	–	–	–	18.45	–	–
Embassy Housing Finance and Developments Private Limited	–	–	–	–	11.20	–
Oakwood Developers Private Limited	–	–	–	–	35.04	–
Ditrita Developers Private Limited	–	–	–	–	21.94	–
Swire Investments Private Limited	–	–	–	–	1.78	–
Embassy Projects Private Limited	–	–	–	–	0.33	–
Dynasty Holdings Private Limited	–	–	–	–	9.98	–
Nam Investments Private Limited	–	–	–	–	2.27	–
Jitendra Virwani	–	–	–	–	12.63	12.50

ENTITY	As at 31 March 2005	2006	2007	2008	2009	As at 28 February 2010
Embassy Development Corporation	–	–	–	–	129.52	75.44
Embassy Construction & Development Private Limited	–	–	–	–	–	1.36
Receivable for sale of shares						
JV Holding Private Limited	–	–	–	–	73.63	–
Swire Investments Private Limited	–	–	–	–	39.33	–
Receivable for sale of asset						
Pune Embassy Projects Private Limited	–	–	–	–	833.72	–
Pune Dynasty Projects Private Limited	–	–	–	–	126.57	34.69
Receivable on account of demerger						
Polywood Properties Pvt Ltd	–	–	–	–	–	13.90
LJ Victoria Properties Pvt Ltd	–	–	–	–	–	2.35
Starwood Properties	–	–	–	–	–	111.28
Advance towards jointly developable properties						
Embassy Real Estate Properties & Holdings Private Limited	–	120.14	330.20	330.23	265.24	265.26
Nam Estates Private Limited	–	30.55	63.16	24.57	69.50	84.70
Ditrita Developers Private Limited	–	18.54	45.39	49.81	14.30	36.80
Nam Investments Private Limited	–	–	1.01	22.51	1.01	–
Oakwood Developers Private Limited	–	–	18.47	17.49	17.50	52.56
Swire Properties	–	–	–	94.19	139.12	39.12
Embassy Projects Private Limited	–	–	–	39.71	–	–
Umbel Properties Private Limited	–	–	–	32.03	21.84	51.94
Swire Investments Private Limited	41.05	–	–	1.62	45.17	86.93
Embassy Projects Private Limited	–	–	–	–	117.18	–
Nam Investments Private Limited	–	–	–	–	–	2.28
Current account balance in partnership firms						
Magrath Property Developers	42.51	37.48	69.94	33.84	14.32	(7.18)
Embassy Development Corporation	–	544.36	228.13	795.62	137.76	–
Embassy ANL Consortium	–	15.94	–	346.33	347.25	348.29
Embassy Brindavan Developers	–	–	–	(35.64)	3.15	–
Mall Ventures	–	–	–	0.06	(47.47)	–
Swire Properties	–	–	–	94.12	139.12	–
Guarantees outstanding						
Embassy Knowledge Infrastructure Projects Private Limited	–	–	–	–	183.88	183.88
Sundry Creditors						
Embassy Services Private Limited	0.08	0.07	–	–	–	–
Umbel Properties Private Limited	1.23	–	–	–	–	–
Embassy Holdings	2.10	–	6.36	6.24	5.99	5.89
Infantry Holdings Private Limited	25.79	–	–	–	–	–
Jitendra Virwani	0.27	0.27	0.27	0.76	9.88	7.95
Karan Virwani	0.22	0.13	0.13	0.32	1.47	2.57
Neel Virwani	–	0.08	0.08	0.25	1.25	2.20
Embassy Shelters Private Limited	–	0.03	–	–	–	–
Raffles Square Development Corporation Private Limited	–	31.90	–	–	–	0.76

ENTITY	As at 31 March 2005	2006	2007	2008	2009	As at 28 February 2010
Embassy Construction & Development Private Limited	–	0.98	–	–	–	–
Dynasty Stock Holdings Private Limited	–	–	–	2.20	–	–
Embassy Brindavan Developers	–	–	–	35.64	3.15	3.15
Magrath Property Developers	–	–	–	30.07	27.96	–
M D Realtors Private Limited	–	–	–	2.31	2.92	1.58
M D Properties Private Limited	–	–	–	18.20	18.20	18.20
Embassy Management Consultants Private Limited	–	–	–	18.50	–	–
Mall Ventures	–	–	–	–	47.47	47.47
Pune Embassy Projects Private Limited	–	–	–	–	–	119.03
Saphire Realtors Private Limited	–	–	–	–	–	0.59
Wild Flowers Estate and Resorts Private Limited	–	–	–	–	–	1.00
Embassy Projects Private Limited	–	–	–	–	–	10.28
Dynasty Properties Private Limited	–	–	–	–	–	3.11
Vijaygi Investments Private Limited	–	–	–	–	–	6.57
Advance received for property acquisition services						
Concord India Private Limited	115.44	111.72	110.05	38.43	194.08	274.26
Dynasty Properties Private Limited	172.47	–	–	–	–	–
Golf Links Software Park Private Limited	479.53	714.30	635.01	389.36	361.03	6.73
Embassy Realtors Private Limited	–	5.91	236.30	232.61	–	–
M D Properties Private Limited	–	23.69	24.67	–	–	–
DSRK Holdings (Chennai) Private Limited	–	–	–	50.70	157.21	154.90
Pune Embassy Projects Private Limited	–	–	–	750.53	791.57	791.57
Pune Dynasty Projects Private Limited	–	–	–	227.24	–	–
Manyata Promoters Private Limited	–	–	–	–	30.00	30.47
Advances for purchase of land						
Saphire Realtors Private Limited	–	92.03	99.00	101.45	92.55	112.07
Wild Flowers Estate and Resorts Private Limited	–	5.00	134.78	324.78	324.78	–
DSRK Holdings (Chennai) Private Limited	–	–	400.03	–	–	–
Dynasty Properties Private Limited	–	–	20.35	–	–	–
Rent Deposit						
Jitendra Virwani	2.60	2.60	2.60	2.60	2.60	2.60
Neel Virwani	–	1.00	1.00	1.00	1.00	1.00
Sundry Debtors						
Sudha Sree Hotel Complex Private Limited	21.60	5.04	–	–	–	–
Dynasty Stock Holdings Private Limited	0.63	–	–	–	–	–
Manyata Promoters Private Limited	–	17.18	–	–	–	–
Golf Links Software Park Private limited	81.41	228.79	315.95	315.95	315.95	–
GV Properties Private Limited	–	–	–	–	65.89	80.29
Embassy Construction & Development Private Limited	3.41	–	–	–	–	–
Jitendra Virwani	–	–	–	–	–	46.85
Umbel Properties Private Limited	–	–	–	–	–	6.85
Advances recoverable in cash or kind						
Embassy Services Private Limited	–	–	3.31	3.42	23.79	16.30
Manyata Promoters Private Limited	–	–	13.84	24.81	–	–
Worldcrown Limited	–	–	–	7.01	63.61	0.05

ENTITY	As at 31 March 2005	2006	2007	2008	2009	As at 28 February 2010
Dynasty Properties Private Limited	–	44.99	–	–	1.00	–
Pet Properties and Constructions Private Limited	–	51.24	–	–	–	–
DSRK Holdings (Chennai) Private Limited	–	–	222.40	–	–	–
Embassy Shelters Private Limited	–	–	–	–	0.05	2.99
GV Properties Private Limited	–	–	–	–	3.95	–
Embassy Constructions and Development Private Limited	–	–	–	–	1.44	–
Embassy Housing Finance and Development Private Limited	–	–	–	–	–	11.51
Udhyaman Investments Private Limited	–	–	–	–	–	11.65
Nam Investments Private Limited	–	–	–	–	–	2.28
Dynasty Holdings Private Limited	–	–	–	–	–	10.61
Others	–	–	–	4.38	14.67	–
Debenture application money pending allotment						
Blue Lagoon Real Estate Private Limited	–	–	–	–	–	183.58
Neptune Real Estate Private Limited	–	–	–	–	–	247.88
Advance received for business consultancy services						
Manyata Promoters Private Limited	–	–	–	–	11.11	0.54
Umbel Properties Private Limited	–	–	–	–	13.77	–

Notes:

1 The figures disclosed above are based on the Restated Summary Statements of Embassy Property Developments Limited.

2 Above disclosures are made in accordance with Accounting Standard (AS) 18 “Related Parties” prescribed by the Companies (Accounting Standards) Rules, 2006.

3 The closing balances as at 31 March 2009 include assets and liabilities assigned pursuant to the scheme of arrangement.

ANNEXURE - XVII

STATEMENT OF TAX SHELTER

(Rs in millions)	For the year ended 31 March					For the eleven months period ended 28 February
PARTICULARS	**2005**	**2006**	**2007**	**2008**	**2009**	**2010**
Profit / (loss) before tax	**135.78**	**198.53**	**346.92**	**302.39**	**493.99**	**(134.49)**
Add/Less: restatement adjustments	(66.97)	(146.36)	(86.27)	2.11	90.53	315.95
Profit before tax before restatement adjustments (A)	68.81	52.17	260.65	304.50	584.52	181.46
Less: capital gains considered seperately	–	–	–	–	574.12	–
Profit eligible for normal income tax rates	68.81	52.17	260.65	304.50	10.40	181.46
Income tax rates (including surcharge and education cess) applicable (B)	36.59%	33.66%	33.66%	33.99%	33.99%	33.99%
Notional Income tax (C) = (A) x (B)	**25.18**	**17.56**	**87.73**	**103.50**	**3.53**	**61.68**
Notional Capital gains tax (D)	**–**	**–**	**–**	**–**	**118.82**	**–**
Permanent differences						
Donations, net of deductions allowed	2.45	3.19	0.83	3.47	2.30	10.85
Dividend income exempt under section 10(34)	–	(0.72)	–	(2.14)	–	–
Prior period expenses	–	–	–	0.38	30.62	–
Provision for doubtful advances	–	–	–	–	103.53	–
Standard deduction allowed on house property income	(12.83)	(21.87)	(17.92)	(28.66)	(21.14)	–
Expenses debited to profit and loss account in relation to income from house property	–	2.28	–	1.67	3.25	–
Income / loss from partnership firm exempt from taxation	(0.71)	(4.21)	(42.45)	(95.38)	0.47	(29.94)
Other disallowances	–	–	0.93	–	1.75	4.73
Interest disallowed	–	–	–	35.32	16.68	31.93
Stamp duty disallowed	–	–	–	4.20	–	–
	(11.09)	**(21.33)**	**(58.61)**	**(81.14)**	**137.46**	**17.57**
Temporary differences						
Interest allowed on payment basis	–	–	–	–	–	(8.34)
Unbilled revenue	–	–	–	(38.79)	11.95	–
Excess of book depreciation over depreciation computed as per income tax rules	(0.32)	13.36	24.02	39.05	29.01	(30.49)
Preliminary expenses	0.19	–	–	–	–	–
Pre operative expenses allowed	–	(0.05)	(0.05)	(0.05)	–	–
Preconstruction interest	(1.62)	(1.62)	(1.62)	(1.62)	(1.62)	–
(Profit) / loss on sale of assets adjusted against block of assets under income tax rules	–	(0.24)	–	(107.53)	–	(4.47)
Provision for gratuity disallowed under section 40(A)(7), net of payments made	0.55	(1.10)	–	0.92	0.64	(8.82)
Prior period income	–	18.20	(18.20)	–	–	–
Delay in deduction of Tax Deducted at Source	–	0.03	34.29	24.61	26.02	27.80
Loss on restatements of investments	–	–	–	1.32	4.81	–
Foreign exchange loss	–	–	–	6.99	(6.99)	(0.88)

(Rs in millions)	For the year ended 31 March					For the eleven months period ended 28 February
PARTICULARS	**2005**	**2006**	**2007**	**2008**	**2009**	**2010**
Employees dues allowed under Section 43B only on a payment basis	–	–	–	0.54	64.66	8.45
	(1.19)	**28.60**	**38.44**	**(74.56)**	**128.49**	**(16.75)**
Total differences (E)	**(12.28)**	**7.26**	**(20.17)**	**(155.70)**	**265.95**	**0.82**
Notional Income tax impact (F) = (E) x (B)	**(4.50)**	**2.44**	**(6.79)**	**(52.92)**	**90.40**	**0.28**
Net tax payable = (C) + (D) + (F)	**20.68**	**20.00**	**80.94**	**50.58**	**212.75**	**61.96**

Notes:

1 The above tax adjustments have been considered based on the information from income tax computations filed with the tax returns for the previous years 2004-05, 2005-06, 2006-07, 2007-08 and 2008-09.

2 The figures for the eleven months period ended 28 February 2010 are based on the provisional computation of total income prepared by the Company and are subject to any changes that may be considered at the time of final filing of the return of income for the year ended 31 March 2010.

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 the Financial Statements, the notes and significant accounting policies thereto and the reports thereon, in "Financial Statements". The Financial Statements are based on Indian GAAP, which differ in certain significant respects from U.S. GAAP and IFRS.

Our financial year ends on March 31 of each year, so all references to a particular Fiscal year are to the twelve-month period ended March 31 of that year.

This discussion contains forward-looking statements and reflects our current views with respect to future events and financial performance. Actual results may differ materially from those anticipated in these forward-looking statements. Given these uncertainties, prospective investors are cautioned not to place undue reliance on such forward-looking statements. Factors that could cause or contribute to such differences include, but are not limited to, those discussed in "Risk Factors" and "Our Business" on page xiv and page 120, respectively.

Overview

We are a leading real estate development company in India. We, together with our Promoters, have 25 years of experience in real estate development, having developed an aggregate of 24.54 million sq. ft. of Developable Area in the commercial, residential and retail segments of the real estate market. A substantial portion of our rental space is leased by customers in the IT/ITeS sector. Our projects are primarily based in Bangalore, and we have a growing presence in southern and western India, as well as a presence in overseas locations such as Malaysia and Serbia.

Our Company commenced operations in the real estate sector in 1993 under the name of Virwani Builders. In 2001 we commenced operations independently when Dynasty Developers Private Limited was merged with our Company. For further details, see the section titled *"History and Corporate Structure"* on page 202. Whilst our traditional geographic focus has been Bangalore, we commenced operations in Pune in 2004, Chennai in 2006, and Coimbatore in 2007. We commenced international operations in Malaysia in 2006 and Serbia in 2007.

Our portfolio of real estate developments spans the commercial, residential, retail and hospitality segments of the real estate industry. Our commercial real estate business includes the development of business parks for the IT/ITeS sector, SEZs and corporate office space. The majority of the Completed Projects in our commercial portfolio are built-to-suit and fit-out developments undertaken for specific clients. Going forward, we intend to undertake a combination of built-to-suit projects and projects done without pre-commitment. Our clients include Alcatel-Lucent, Atos Origin, ANZ, Cognizant, Computer Science Corporation, Fidelity, Geometric, IBM, LG Soft India, McAfee, Mercedes-Benz, Microsoft, NetApp, Nokia Siemens Networks, Supervalu, Target, Vodafone and Yahoo!.

We have a strong relationship with IBM which is evidenced by the fact that since 2003 IBM has occupied 4.51 million sq. ft. of Gross Leasable Area spread over 15 projects within three business parks in Bangalore and Pune. In addition, existing customers, including Atos Origin, NetApp, Nokia Siemens Network and LG Soft India, have committed to take up 2.34 million sq. ft. of new space by the end of 2012.

Our residential real estate business entails the development of residential projects ranging from luxury apartments and villas to townships, catering to the affordable housing as well as the middle and upper income segment of the residential property market. Our retail business comprises the development of retail malls and we generate revenues through the sale and lease of our retail projects. Our hospitality business entails the development, and ultimately the operation through third party operators, of hotels and serviced apartments aimed at supporting and complementing our commercial projects.

In our international operations, we have entered into a joint venture with Azikaf Sdn Bhd, a member of the Emkay Group, of Malaysia for the development of *MKN Embassy TechZone*, a business park being developed in Cyberjaya, Malaysia, which constitutes our first real estate development outside of India. This business park will have a total Developable Area of 4.58 million sq. ft., of which our Economic Interest will be 1.83 million sq. ft. Since 2008, 1.39 million sq. ft. of Developable Area has been sold. An additional 0.75 million sq. ft. is presently under development. This business park is part of our strategy to expand into destinations where we believe that IT/ITeS sector clients will seek to establish operations in future, and where our expertise in the development of IT/ITeS projects can be successfully deployed. Additionally, we intend to develop *Embassy TechZone, Serbia,* a business park in Indjija, Serbia. This business park will have a total Developable Area of 1.00 million sq. ft., of which our Economic Interest will be 0.90 million sq. ft. The first phase of the business park will comprise a Developable Area of 0.25 million sq. ft., of which our Economic Interest will be 0.23 million sq. ft.

We have demonstrated a strong execution track record across the commercial and residential segments of the real estate market in south India, as well as outside India. We have completed 62 domestic and international commercial projects comprising a Developable Area of 18.73 million sq. ft. (of which our Economic Interest is 7.36 million sq. ft.). In addition, we have completed 19 residential projects comprising a Developable Area of 5.30 million sq. ft. (of which our Economic Interest is 1.56 million sq. ft.).

Note Regarding Presentation

The Financial Statements have been prepared in accordance with Indian GAAP and standards issued by the Institute of Chartered Accountants of India ("**ICAI**") and SEBI ICDR Regulations. The discussion below covers our consolidated restated results for the eleven months ended February 28, 2010, Fiscal 2009, Fiscal 2008 and Fiscal 2007.

The audit report our independent accountants issued on our audited unconsolidated financial statements for the year ended March 31, 2006 contains a qualification which required an adjustment to our restated unconsolidated financial statements and our restated consolidated financial statements. The qualification states that, during the year ended March 31, 2006, the Company had claimed Rs 18.20 million by way of reimbursement of certain expenditure from another company. However, we did not recognize the revenue from this reimbursement, and therefore our profit and receivables were understated to that extent. These revenues have been treated as prior period income in the audited unconsolidated results for the year ended March 31, 2007.

For details of all audit qualifications we have received and the respective management comments, see the section titled "*Financial Statements - Annexure IV – (B) Auditors Qualifications*" on page 371.

Factors Affecting Our Financial Results

The general factors affecting our financial condition and performance are discussed below.

Variations in market prices of our properties

Our total income is affected by the sales prices and lease rental rates of our projects. The sales prices and lease rental rates are affected by prevailing market conditions and prices in the real estate sector in South India, as well as India generally (including market forces of supply and demand), the nature and location of our projects, and other factors such as our brand and reputation and the design of the projects. Similar factors have affected and will affect our international operations in Cyberjaya, Malaysia and Serbia.

Supply and demand market conditions are affected by various factors outside our control, including:

- prevailing local economic, income and demographic conditions;
- availability of consumer and project development financing (interest rates and eligibility criteria for loans);
- availability of and demand for projects comparable to those we develop;
- changes in governmental policies relating to zoning and land use;
- changes in applicable regulatory schemes; and
- competition from other real estate developers.

For example, the real estate market in India was significantly affected by the global financial crisis that began in the second half of 2007, although south India was not affected immediately but was impacted through 2008 and part of 2009. Our operations in Malaysia were not significantly impacted because we did not have properties available for sale or lease until 2009. Since the first half of 2009, the real estate sector has witnessed some improvement.

During times of crisis, buyers may become cautious, rentals of commercial space may face downward pressure and consumer sentiment and market spending may be adversely affected. Such circumstances may also adversely affect the prices at which we are able to sell projects or lease commercial space, or adversely impact our assessment of the viability of a project. Since most of our Ongoing Projects and Proposed Projects are concentrated in South India and Pune we are particularly affected by changes in real estate market conditions in those regions.

Mix of properties for sale and lease

For the eleven months ended February 28, 2010, 45.51% of our revenues was generated from proceeds from the sale of land and constructed properties, 4.17% of our revenues was generated from construction contracts and 40.82% was generated from the lease of commercial and retail space. Lease rentals provide a more stable source of revenue as most lease contracts have a minimum duration of five years. Revenue from the sale of land and constructed properties may vary based on market prices for properties at the time of sale, as well as the percentage of completion of the projects (which affects our revenue from construction contracts). As a result, our revenues and profits may vary depending on the mix of projects we offer for sale and lease.

Occupancy levels

Occupancy rates largely depend on rental rates relative to those at competing properties, the supply of and demand for comparable properties (particularly comparable properties for the IT/ITeS sector), the ability to minimize the intervals between lease expiries (or terminations) and our ability to enter into new leases.

We typically enter into a five year lease agreement, with an option for the tenants to renew for two additional five year periods. Under these lease agreements, our client is typically locked into the entire lease period of five years or for the first three years thereof. The lease agreement also typically provides for pre-agreed escalations in rental payments every three years, or in some cases on an annual basis.

Performance of the IT/ITeS sector

Substantially all of our commercial developments are for customers in the IT/ITeS sector. As a result, the business conditions for our customers in this sector have had and are likely to continue to have a material impact on our results of operations. Increased demand for IT / ITeS services may permit us to increase our rental rates for new leases. Conversely, if our customers face difficult business conditions, we may have to offer customers lower rental rates or offer other amenities for new leases which could have an adverse effect on our revenues or profits.

Rate of progress of construction and development

For the properties we intend to sell and for which we have entered into a sale agreement prior to completion of construction, we follow the percentage of completion method of revenue recognition. This revenue recognition policy is not applicable to developments that we intend to lease. Under this method, our revenue depends upon the volume of bookings we are able to obtain for our developments as well as the rate of progress of construction of our projects during each financial period. Our bookings depend upon our ability to identify suitable types of developments that will meet customer preferences and market trends, and to market and pre-sell our projects. Construction progress depends on various factors, including business plans, the availability of financing, labor and raw materials, the prompt receipt of regulatory clearances, access to utilities such as electricity and water, the operating and financial condition of the construction companies we use in our business, and the absence of contingencies such as litigation and adverse weather conditions. In terms of our cash flows, pre-sale of a property generates positive cash flow for us in the period in which it is made. Generally, we receive 10-15% of the sale price for residential projects within 30 days of booking.

The time it takes to develop a project varies depending on a variety of factors, including the size of a project. This variation may lead to significant fluctuations in our revenues and profits from period to period. In addition, any delays in construction for our commercial projects typically lead to our being required to offer our customers periods of free rent to compensate them for the delay.

Cost and availability of land

We acquire land or development rights through four methods: (i) purchase directly from the land owner, (ii) joint developments with land owners, (iii) joint venture agreements or (iv) acquisition by way of takeover of the land holding company. In addition, for *Kirloskar Business Park*, we receive 12.5% of the net profits from the project through a profit sharing agreement. Furthermore, we have acquired leasehold rights from State and local governments, authorities and government owned entities in India. *Manyata Embassy*

Business Park is an example of a property we acquired from Karnataka Industrial Development Board by this acquisition method. These leasehold rights are convertible into freehold rights, at our election, upon certain development milestones.

The cost of land, which includes the amounts paid for freehold rights, leasehold rights, cost of registration and stamp duty, generally represents a substantial part of our project cost, second only to construction. We acquire land and land development rights and enter into arrangements to develop land in advance of planning and designing our projects. Please see the section entitled "*Our Business – Real Estate Project Development and Execution Methodology – Identification of Potential Areas of Development*" on page 162. The profitability of our business also depends on our land acquisition costs and our growth is dependent on the availability of land for our future development. We compete with other developers to identify and acquire land of suitable size and location for the development of our projects.

Land costs have generally increased in the past four years (although the recent economic downturn had an impact on the real estate sector) and we expect that this trend will continue subject to general economic conditions and other factors. In addition, our land acquisition costs may increase as a result of our preference to develop larger parcels of land. Our ability to maintain or improve on our profit margin will depend on our ability to sell or rent our projects at corresponding prices that take into account the increased cost of land.

In addition, we may, from time to time, acquire TDRs. The market for the purchase and sale of TDRs is affected by a number of factors, including prevailing conditions of demand and supply in the real estate market, timing of completion of projects which generate TDRs, the extent to which an increase in developable plot ratio may be allowed by making payment to the state government and changes in the TDR regulatory regime on real estate regulations in Bangalore. The cost of TDRs as a proportion of project costs depends upon the quantum of TDR utilized in the project and the cost of acquisition of TDRs. In Bangalore, we have acquired TDRs which gave us an option to increase our FSI in certain developments.

We also acquire the right to develop projects through arrangements with other entities, which own the land or land development rights. Our contract counterparty is typically given the option, as consideration, to either share the sale proceeds in a pre-determined proportion depending upon the nature of the project and the location of the land or to receive a pre-determined portion of the developed area which such party may market at its expense. As of April 30, 2010, we had interest in several projects through such arrangements, such as *Embassy Galaxy Mall* and *Embassy Vogue*.

Construction costs

Our cost of construction includes the cost of raw materials such as steel, cement and other building materials and construction contracts for labor. Raw material prices, particularly, those of steel and cement, may be affected by price volatility caused by different factors that affect the Indian and international commodity markets. If there are extraordinary price increases in construction materials due to increase in demand for steel and cement, or shortages in supply, the contractors we hire for construction or development work may be unable to fulfill their contractual obligations and may therefore be compelled to increase their contract prices. As a result, increases in costs for any construction materials impacts our construction costs.

In addition, the timing and quality of construction of the projects we develop depend on the availability and skill of our contractors, architects and consultants, as well as contingencies affecting them, including labor

and industrial actions such as strikes and lockouts. Such labor and industrial actions may cause significant delays to the construction timetables for our projects, and we may therefore be required to find replacement contractors and consultants at higher costs. As a result, any increase in prices resulting from higher construction costs could adversely affect demand for our projects and the relative affordability of our projects as compared to our competitors' projects.

Availability of financing on commercially viable terms

Our business, particularly our commercial real estate business, requires a significant amount of working capital and long term funding. Our ability to acquire properties for development depends on whether we can negotiate commercially viable terms for our financing arrangements with banks and financial institutions. Our ability to borrow funds for the development of our projects is affected in part by the prevailing interest rates available to us from lenders. Interest rate decreases have a positive effect on our profitability, and rate increases have an adverse effect. We fund our property development activities through a significant level of medium and long-term debt and by pre-selling projects (in addition to cash from operations and the sale of equity shares of our Subsidiaries, joint ventures or associates). Since January 2009, the PLR of public sector banks decreased from between 12.00% and 12.50% as of January 2009, to between 11.00% and 12.00% as of May 14, 2010. (*Source: Reserve Bank of India, Weekly Statistical Supplement*). All our indebtedness is subject to floating interest rates.

The sale of residential and commercial properties accounts for a significant portion of our income. One of the major factors affecting demand for our properties is the availability of financing at reasonable rates to our potential customers. In addition, the availability of credit has an impact on the growth of businesses, particularly new businesses' expansion plans, and thus has an impact on the demand for new office space.

Securitization of rental receipts

Our cash flows are impacted by our practice of securitizing our rental receipts. With respect to substantially all of the revenue we generate from the lease of commercial and retail projects, we enter into arrangements with banks to securitize our future rental receipts. We initially enter into loan agreements to finance the construction of our projects, and we draw down funds from these loans over the courses of development, which we recognize as cash generated from financing activities. After we have completed construction and entered into lease agreements with tenants, we convert these loans into agreements with banks to securitize our rental receipts to pay down our construction debt. We record such payments as cash used in financing activities. If our tenants fail to make any rental payments or vacate the property, we remain obligated to make the payment owed to the bank. The maturity of these agreements is adjusted based on applicable interest rates. If interests increase then the maturity dates are extended, and vice versa.

General economic, income, real estate and demographic conditions in India and elsewhere

We derive a substantial majority of our revenue from our real estate activities in India. Accordingly, we are heavily dependent on the state of the Indian real estate sector, the Indian economy in general and in the South India and Pune real estate markets in particular. For further details, see the section titled "*Industry Overview*" on page 94. The Indian economy grew at a rate of nearly 9% in Fiscal 2008, and 6.7% in Fiscal 2009, making it one of the fastest growing economies in the world. (*Source: Reserve Bank of India, Third Quarter Review of Monetary Policy for the Year 2009-10*) As demand for new residential and commercial properties is driven by increases in employment and disposable income, any slowdown or perceived slowdown in the Indian economy, or in specific sectors of the Indian economy, could adversely impact our

business and financial performance. For instance, the recent economic slowdown has had an adverse effect on the real estate sector and our business. Other economic conditions affecting our business include market pricing trends that affect sales and rental rates of our projects, demographic changes, interest rates and the availability of consumer financing. We expect these trends to continue, and expect our results of operations to continue to vary from period to period in accordance with fluctuations in the Indian economy and the Indian real estate market.

While our operations are primarily in India, we also have operations in Malaysia and Serbia, which are affected by similar factors. For the eleven months ended February 28, 2010, Fiscal 2009, Fiscal 2008 and Fiscal 2007, approximately 57.55%, 57.46%, nil and nil, respectively, of our proceeds from the sale of land and constructed properties were generated in Malaysia. However, our revenues from our international operations vary from year to year, and we do not expect such revenues to consistently generate such a significant portion of our total revenues. Nevertheless, any slowdown or perceived slowdown in Malaysia or Serbia due to external or internal reasons could adversely affect our revenues and our results of operations.

Government policies including taxes and duties

The real estate sector in India is highly regulated. Regulations applicable to our operations include standards regarding land acquisition, funding sources, the ratio of built-up area to land area, land usage, the suitability of building sites, road access, necessary community facilities, open spaces, water supply, sewage disposal systems, electricity supply, environmental suitability and size of the project. Approval of development plans is conditioned on, among other things, completion of the acquisition of the project site and the developer's administrative capabilities. Approvals must be obtained at both the national and local levels, and our results of operations are expected to continue to be affected by the nature and extent of the regulation of our business, including the relative time and cost involved in procuring approvals for each new project, which can vary from project to project.

A major contributing factor to support the growth of residential housing property is income tax benefits on housing loans for our customers. Currently, income tax deduction is available on the interest on housing loans (up to Rs. 0.15 million for self-occupied residential property) and a rebate up to Rs. 0.10 million on the principal repayment is also available.

In addition, in October 2009, the RBI increased the provisioning requirement for advances to the commercial real estate sector classified as "standard assets" from 0.40% to 1.00%. This increase has resulted in reducing the availability of, and increasing the cost of, credit to the real estate sector.

Section 80IAB of the Income Tax Act 1961 (the "**I.T. Act**") provides for deductions in respect of profits and gains by an undertaking or enterprise engaged in development of SEZs provided that the project is notified under the Special Economic Zones Act, 2005, after April 1, 2005. A deduction of 100% of the profits and gains derived from the notified projects for a period of 10 consecutive years.

Section 80IA of the I.T. Act provides for deductions in respect of profits and gains by any enterprise carrying on the business of (i) developing or (ii) operating and maintaining or (iii) developing, operating and maintaining any infrastructure facility on or after April 1, 1995. A deduction of 100% of the profits and gains derived from the notified projects for a period of 10 consecutive years out of 15 years beginning from the year in which the undertaking or the enterprise develops and begins to operate any infrastructure facility.

Golf Links Software Park Private Limited, a joint venture, is eligible for benefits under Section 80 IA of the I.T. Act for a period of 10 years during the 15 year period beginning July 2006. The entity has not exercised its benefit under Section 80 IA as of February 28, 2010.

Further, two other joint venture entities, Manyata Promoters Private Limited and Pune Embassy Projects Private Limited, are eligible for benefits under Section 80 IAB of the I.T. Act. Both these entities have not taken any benefits under the Section 80 IAB as of 28 February 2010.

Competition

We face significant competition in the Indian real estate market. In particular, we compete with other developers in south India in identifying and acquiring parcels of land of suitable size and location at attractive prices for development of our real estate projects. Our continued growth also depends in large part on our ability to acquire high quality land at attractive prices. If the Indian economy continues to grow, we expect that competition among developers for land reserves that are suitable for property development will intensify and that land acquisition costs will increase as a result. Competition from other developers in south India may adversely affect our ability to develop and sell or lease our projects, and continued development by other market participants could result in saturation of the real estate market.

Competition to lease commercial real estate is driven primarily by the location of the development and the pricing of rentals.

Similar competitive factors affect our operations in Malaysia and Serbia.

Customer concentration

IBM accounted for 33.75% and 34.36% of our facility rental income for the eleven months ended February 28, 2010 and Fiscal 2009. Our top ten commercial tenants accounted for 68.03% and 68.21% of our facility rental income for the eleven months ended February 28, 2010 and Fiscal 2009. In addition, as of April 30, 2010, 53% of the Developable Area leased across *Manyata Embassy Business Park*, *Embassy Golflinks Business Park* and *Embassy TechZone* in Pune was leased to clients with whom we have entered into multiple lease agreements. As a result, our revenues and results of operations are significantly impacted by our relationships with our key customers.

Foreign currency effects

Although our revenues and expenses are primarily denominated in Indian Rupees, because of the geographic diversity of our business, we receive revenue and incur expenses in a variety of currencies including Malaysian Ringgit, Serbian Dollars, Euro and US Dollars. In addition, our financial statements are presented in Indian Rupees. Changes in the value of such foreign currencies against the Indian Rupee can cause fluctuations in our consolidated results of operations and could have a material effect on our reported financial results.

Lack of Comparability of Periods under Review

We implemented a composite scheme of arrangement with effect from April 1, 2008. As a result, certain subsidiaries were merged or demerged which had an effect on our results of operations. In addition, we have made acquisitions during the periods under review. See "*Annexure V*" to our restated consolidated

financial statements for details of the acquisitions. As a result of the foregoing, it may not be possible to compare our results of operations on a period-to-period basis.

Principles of Consolidation

Our consolidated financial statements have been combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses after eliminating intra-group balances/transactions and resulting unrealized profits in full. Unrealized losses resulting from intra-group transactions have also been eliminated in full. The amounts shown in respect of reserves comprise the amount of the relevant reserves as per the balance sheet of the Company and its share in the post-acquisition increase in the relevant reserves of its subsidiaries.

We account for investments in associate companies by the equity method of accounting in accordance with AS-23 "Accounting for Investment in Associates in Consolidated Financial Statements", where we are able to exercise significant influence over the operating and financial policies of the investee. Inter-company profits and losses have been proportionately eliminated until realized by the investor or investee.

Our proportionate share of interest in joint ventures is combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses after eliminating intra-group transactions and resulting unrealized profits, to the extent it pertains to us.

The excess/deficit of cost to the Company of its investment in subsidiaries, joint ventures and associates over its portion of equity at the respective dates on which investment in such entities were made is recognized in the financial statements as goodwill/capital reserve. Our portion of equity in such entities is determined on the basis of the book values of assets and liabilities as per the financial statements of such entities as on the date of investment and if not available, the financial statements for the immediately preceding period adjusted for the effects of significant transactions, up to the date of investment.

Minority interest in the net assets of consolidated subsidiaries consists of: (a) the amount of equity attributable to minorities at the date on which investment in a subsidiary is made; and (b) the minorities' share of movements in equity since the date the parent/subsidiary relationship came into existence.

The consolidated financial statements are presented, to the extent possible, in the same format as that adopted by us for our unconsolidated financial statements.

The consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances.

Significant Accounting Policies

Our financial statements are prepared under the historical cost convention in accordance with generally accepted accounting principles in India, the Accounting Standards issued by the ICAI, the provisions of the Companies Act, 1956 and the accounting principle of 'going concern'. All incomes and expenditures are accounted on mercantile basis except those with significant uncertainties.

We prepare our financial statements in conformity with Indian GAAP. In applying these accounting policies, we are required to make judgments, estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent liabilities and reported amounts of revenues and expenses as

of and during the reporting period and that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that we consider to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

For a full description of our significant accounting policies adopted in the preparation of the Financial Statements, see "*Financial Statements – Audited Restated Consolidated Summary Statements – Schedule XVI*".

Revenue Recognition

Proceeds from sale of land and constructed properties

Revenue from sale of land is recognized on transfer of title in the property (on execution of the sale deed).

Revenue from sale of developed constructed property is recognized upon transfer of all significant risks and rewards of ownership of such real estate/property, as per the terms of the contracts entered into with buyers, which generally coincides with the firming of the sales contracts/agreements.

Revenue from construction contracts

Revenue from construction contracts is recognized using the percentage completion method, when the stage of each project reaches a significant level which is estimated to be at least 10% of the total estimated construction cost of the project. Revenue is recognized according to the proportion that the construction costs incurred for work performed as of the reporting date bear to the estimated total construction costs. Land costs are not included for the purpose of computing the percentage of completion. The amount of revenue recognized is net of sales tax, service tax and other amounts collected from the customer in the capacity of an agent. Construction costs include the estimated cost of construction, development and other directly attributable costs of the projects under construction. In cases where the total project cost is estimated to exceed the total estimated revenue from a project, the loss is recognized immediately.

For residential projects under construction, the estimates of area available for sale and construction costs are reviewed by the management periodically. The cumulative effect of changes in these estimates is recognized in the period in which these changes may be reliably measured.

Gain on sale of leased property

Gain on sale of leased property represents fixed assets in the form of land and buildings sold to third parties. These properties are leased to lessees prior to such sale. Such gain is recognized upon transfer of all significant risks and rewards of ownership of such real estate / property, as per the terms of the contracts entered into with buyers, which generally coincides with the firming of the sales contracts / agreements. The gain recognized is net of the carrying costs of such leased property on the date of recognition of the sale.

Rental income

Rental income from fixed assets leased under operating lease is recognized in our income statement on a straight-line basis over the term of the lease. Lease incentives, such as rent-free periods at the commencement of a lease, or other modifications to a lease such as rental escalations are averaged over the term of the lease. For example, for a three-month rent-free period over a 60 month lease, 57 months of rent will be recognized over 60 months. Initial direct costs such as brokerage expenses incurred specifically to earn revenues from an operating lease are recognized as an expense in the statement of profit and loss in the year in which they are incurred.

Inventories

Inventories are carried at the lower of cost and net realizable value. Cost includes all applicable costs incurred in bringing the properties to their present location and condition. The method of determination of cost for various categories of inventories is as follows:

- Land, including transferable development rights, are valued at cost of acquisition. Cost includes acquisition cost and related development charges. Finished stocks of constructed properties are valued at their cost of construction / acquisition.

- The net realizable value of work in progress is determined with reference to the selling prices of related constructed property. Raw materials and other supplies held for use in construction of property are not valued below cost except in cases where material prices have declined and it is estimated that the cost of constructed property will exceed their net realizable value.

- Advances paid toward purchase of land for future development are classified as land advances until a clear and marketable title is obtained, free from all encumbrances and on transfer of legal title to us. Such advances, depending on the stage of the land acquisition process, are measured with reference to the value of the underlying land, at the lower of cost or net realizable value assessed at the time of valuation, which may be significantly lower than cost given delays in the land acquisition process.

Fixed Assets and Depreciation/Amortization

Fixed assets are stated at cost less accumulated depreciation/amortization and impairment loss, if any. Cost comprises purchase price and any attributable cost such as duties, freight, borrowing costs, erection and commissioning expenses incurred in bringing the asset to its working condition for its intended use.

Advances paid /expenditure incurred on acquisition/construction of fixed assets which are not ready for their intended use at each balance sheet date are disclosed under capital work-in-progress.

Construction costs for rental properties are capitalized and recognized as fixed assets or capital work in progress. Land costs for rental properties are also recognized as fixed assets.

Depreciation on fixed assets is provided on the straight-line method as per the rates and in the manner prescribed in Schedule XIV to the Companies Act, 1956. The rates of depreciation prescribed in Schedule XIV to the Companies Act, 1956 are considered as the minimum rates. However, where the management's estimate of the useful life of a fixed asset at the time of acquisition of the asset or of the remaining useful

life on a subsequent review is shorter than that envisaged in the aforesaid Schedule, depreciation is provided at a higher rate based on the management's estimate of the useful life/remaining useful life. Pursuant to this policy, management's estimates of useful life of the following assets are as follows:

Class of assets	***Years***
Buildings	16 – 61
Plant and Machinery	5 – 21
Furniture and Fixtures	5 – 16
Electrical equipment	5 – 21
Computers	3
Office equipments	6 – 21
Vehicles	5 – 11

Leasehold improvements are depreciated over the lease term or the estimated useful life, whichever is shorter.

Assets individually costing less than Rs 5,000 are depreciated at 100%.

Depreciation on additions to fixed assets, and deletions to fixed assets, are provided on a pro rata basis for/up to the period of use respectively.

Borrowing Cost

Borrowing costs directly attributable to acquisition or construction of those fixed assets and property under development, which necessarily take a substantial period of time to get ready for their intended use, are capitalized. Other borrowing costs are accounted as an expense when incurred and debited to profit and loss account.

Income tax

Income-tax expense comprises current tax, fringe benefits tax and deferred tax charge or credit.

Income-tax expense comprises current tax (the amount of tax for the year determined in accordance with the income-tax law) and deferred tax charge or credit (reflecting the tax effects of timing differences between accounting income and taxable income for the year). Deferred tax assets are recognized only to the extent there is reasonable certainty that the assets can be realized in future; however, where there is unabsorbed depreciation or carried forward business loss under taxation laws, deferred tax assets are recognized only if there is a virtual certainty of realization of such assets. Deferred tax assets/liabilities are reviewed as at each balance sheet date and revised to reflect the amount that is reasonably/virtually certain (as the case may be) to be realized.

We offset the current tax assets and liabilities (on a year on year basis), where we have a legally enforceable right and where we intend to settle such assets and liabilities on a net basis.

We provide for and disclose fringe benefits tax in accordance with the provisions of Section 115 WC of the Income-tax Act, 1961. In view of the limited specific interpretations available, particularly from CBDT,

provision for fringe benefits tax has been recognized on the basis of a consistent interpretation of the provisions of the Income-tax Act, 1961. The fringe benefits tax has been abolished since April 1, 2009.

The tax expense in the consolidated financial statement is the aggregate of the amounts of tax expense appearing in the separate financial statements of the Company, its subsidiaries and its proportionate share of joint venture entities.

Foreign Currency Transactions

Foreign exchange transactions are recorded at the rates of exchange prevailing on the dates of the respective transactions. Exchange differences arising on foreign exchange transactions settled during the year are recognized in the profit and loss account of the year.

Monetary assets and liabilities in foreign currency, which are outstanding as at the year-end and not covered by forward contracts, are translated at the year-end at the closing exchange rate and the resultant exchange differences are recognized in the profit and loss account. Non-monetary foreign currency items are carried at cost.

Our consolidated foreign subsidiaries have been identified as integral operations in accordance with the requirements of AS –11(Revised 2003) "The Effect of Changes in Foreign Exchange rates" which is effective for the accounting periods commencing on or after April 1, 2004. In accordance with AS –11 (Revised 2003) "The Effect of Changes in Foreign Exchange rates", the financial statements of such integral foreign operations are translated into Indian rupees as follows:

- Monetary items are translated using the closing rate.
- Non-monetary items are translated using the historical rate.
- Revenue items are translated at the transaction rate or average rate.
- The resulting net exchange difference is credited or debited to the profit and loss account.

Provisions and Contingent Liabilities

We recognize a provision when there is a present obligation as a result of a past (or obligating) event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is a possible obligation or a present obligation that the likelihood of outflow of resources is remote, no provision or disclosure is made.

Provisions for onerous contracts (contracts where the expected unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it) are recognized when it is probable that an outflow of resources embodying economic benefits will be required to settle a present obligation as a result of an obligating event, based on a reliable estimate of such obligation.

Forthcoming Accounting Pronouncements

The Core Group constituted by Ministry of Company Affairs (the "MCA") for convergence of Indian Accounting Standards with the International financial Reporting Standards ("IFRS") announced the approach and timelines for achieving convergence with IFRS on January 22, 2010. Accordingly, companies with a net worth, as at March 31 2009, exceeding Rs. 10 billion are required adopt the converged accounting standards for the year ending March 31, 2012. Other companies are required to adopt the converged accounting standards over a phased manner commencing in 2013.

Our net worth exceeded Rs. 10 billion as of March 31, 2010. We will seek further clarification from the MCA as to whether we are required to adopt the converged standards for the year ending March 31, 2012 (since we did not exceed the net worth standard as of March 31, 2009), and will adopt the mandated standards accordingly.

Results of Operations

The following table sets forth certain items derived from our audited restated consolidated financial statements for the eleven months ended February 28, 2010, Fiscal 2009, Fiscal 2008 and Fiscal 2007, and also expressed as a percentage of total income for the periods presented.

(Rs. in millions, except percentages)

	For the eleven months ended February 28,		**For the year ended March 31,**					
	2010		**2009**		**2008**		**2007**	
	(Rs.)	**(%)**	**(Rs.)**	**(%)**	**(Rs.)**	**(%)**	**(Rs.)**	**(%)**
Income								
Income from operations								
- Proceeds from sale of land and constructed properties.....	1,723.73	45.02	1,068.29	33.54	297.16	27.70	430.81	28.93
- Gain on sale of leased property.	18.79	0.49	315.35	9.90	105.73	9.86	-	-
- Revenue from construction contracts.....	159.7	4.17	55.19	1.73	130.94	12.21	524.83	35.24
- Facility rental income	1,562.88	40.82	1,139.84	35.79	167.90	15.65	139.54	9.37
- Business consultancy income ...	120.57	3.15	165.46	5.19	236.72	22.07	356.52	23.94
- Miscellaneous	124.24	3.25	88.54	2.78	-	-	-	-
Other income	118.71	3.10	352.38	11.06	134.34	12.52	37.57	2.52
Total.....	3,828.62	100.00	3,185.05	100.00	1,072.78	100.00	1,489.27	100.00
Expenditure								
Cost of inventories sold	916.28	23.93	496.79	15.60	183.04	17.06	487.11	32.71
Operating and administrative expenses	990.15	25.86	1,040.19	32.66	403.62	37.62	419.4	28.16
Interest and finance charges	1,609.24	42.03	1,255.41	39.42	233.33	21.75	152.49	10.24
Depreciation	256.14	6.69	209.15	6.57	58.53	5.46	70.09	4.71
Total.....	3,771.81	98.52	3,001.54	94.24	878.52	81.89	1,129.09	75.80

	For the eleven months ended February 28,		For the year ended March 31,					
	2010		2009		2008		2007	
	(Rs.)	(%)	(Rs.)	(%)	(Rs.)	(%)	(Rs.)	(%)
Profit before tax.....	56.81	1.48	183.51	5.76	194.27	18.11	360.18	24.18
Less: Provision for tax								
a) Current tax.....	170.04	4.44	262.66	8.25	50.75	4.73	101.23	6.80
b) Fringe benefit tax	0.03	0.00	3.78	0.12	3.11	0.29	2.05	0.14
c) Deferred tax charge/(credit)	(78.68)	(2.06)	(30.66)	(0.96)	51.46	4.80	3.23	0.22
Total.....	91.39	2.39	235.78	7.40	105.32	9.82	106.51	7.15
Profit/(loss) before share of associates and minority interest	(34.58)	(0.90)	(52.27)	(1.64)	88.95	8.29	253.67	17.03
Share of (loss)/profit from associates.....	1.09	0.03	(0.83)	(0.03)	98.88	9.22	(0.06)	0.00
Minority's share of losses in subsidiaries.....	27.33	0.71	16.29	0.51	-	-	-	-
Net Profit/(Loss) for the year...	(6.16)	(0.16)	(36.81)	(1.16)	187.83	17.51	253.61	17.03
Other Information								
EBITDA[(1)]	1,922.19	-	1,648.06	-	486.13	-	582.76	-

Note:

(1) EBITDA consists of profit/(loss) before depreciation and amortization, exceptional items, finance expenses and taxes. EBITDA is a supplemental measure of our performance and liquidity and is not required by, or represented in accordance with, Indian GAAP. Furthermore, EBITDA is not a measure of our financial performance or liquidity under Indian GAAP and should not be considered as alternatives to net income, operating income or any other performance measures derived in accordance with Indian GAAP or as alternatives to cash flows from operating activities or as measures of our liquidity. In addition, EBITDA is not a standardized term, hence a direct comparison between companies using such a term may not be possible. Other companies may calculate EBITDA differently from us, limiting its usefulness as a comparative measure.

Income

Income from operations

Our income from operations accounted for 96.90%, 88.94%, 87.48% and 97.48% of our total income for the eleven months ended February 28, 2010, Fiscal 2009, Fiscal 2008 and Fiscal 2007, respectively.

Our operating income consists of (i) proceeds from sale of land and constructed properties, (ii) gain on sale of leased property, (iii) revenue from construction contracts, (iv) facility rental income, (v) business consultancy income and (vi) miscellaneous income.

Proceeds from sale of land and constructed properties consists of sales proceeds from our residential and commercial projects, as well as land parcels. Such projects are already completed at the time of sale.

Gain on the sale of leased property consists of the net profits from sales of constructed properties which were originally leased out but subsequently sold.

Revenue from construction contracts consists of revenue from the construction and sale of certain residential and commercial projects. Actual construction work is outsourced to third party contractors. This revenue is recognized under the percentage of completion method, reflecting progress in the construction of such projects and the number of units sold.

Facility rental income consists of lease income we receive from our tenants at our commercial and retail projects.

Business consultancy income consists of revenue generated from our project development services. We charge a fee for project development services that are provided in respect of certain Ongoing Projects and Completed Projects (which are owned through our subsidiaries in which we hold less than a 100% interest, joint ventures or associates). This fee is usually between 5-8% of the construction cost of the project.

Miscellaneous income consists of facility maintenance income received by Golf Links Software Park Private Limited, income from advertisements and sponsorship income.

Our other income primarily consists of interest income, profits on the sale of investments and one-time compensation received from lessees for lease cancellations.

Expenditure

Cost of inventories sold

Cost of inventories sold consists of expenses relating to the sale of commercial and residential projects or revenue generated from construction contracts. Such costs primarily include costs of acquisition of land, costs of acquisition of development rights/TDRs, costs of regulatory approvals, costs of outsourcing construction (including purchases of raw materials, machinery and labor), costs of interest incurred during construction of a project, costs of services such as hiring architects, and any applicable taxes applied to the foregoing.

Operating and administrative expenses

Operating and administrative expenses include personnel costs, directors' remuneration, repair and maintenance, property taxes, sales and marketing expenses, including travel and brokerage and commissions to real estate brokers, foreign exchange gains or losses, provisions for doubtful debts, bad debts written off, and legal and professional fees, liquidated damages for failure to complete certain project development activities and facility maintenance expenses incurred by Golf Links Software Park Private Limited.

Interest and finance charges

Interest and finance charges primarily consist of interest expenses on loans for which we have securitized certain rental receipts. In addition, we incur costs for construction finance for projects sold or leased, and short-term loans, as well as processing fees for such loans.

Depreciation

Depreciation consists of depreciation of building, plant and machinery, furniture, fixtures, motor vehicles, computers and office equipments.

Taxation

Income taxes are accounted for in accordance with provisions of the I.T. Act and AS-22 issued by the ICAI on "Accounting for Taxes on Income". Taxes comprise current tax, deferred tax and fringe benefit tax.

Provision for current taxes is made at current tax rates after taking into consideration the benefits admissible under the provisions of the I.T. Act. One of the benefits we may take advantage of is under Section 80 IB of the I.T. Act, when our residential housing projects meet the criteria including that of size and other requirements prescribed by the provisions of the I.T. Act. In cases where our liability for current taxes as calculated is less than 18% of our book profit (as defined by I.T. Act), we are liable to pay the Minimum Alternate Tax, in accordance with Section 115JB of the I.T. Act. We will also take advantage of benefits under Section 80 IA and Section 80 IAB. See "*Government Policies including Taxes and Duties*" above.

In conformity with the Accounting Standard 22 "Accounting for Taxes on Income" issued by the ICAI, deferred tax asset or liability is recognized for timing differences between the profit/loss as per financial statements and the profit/loss offered for income tax, based on tax rates that have been enacted or substantively enacted at the balance sheet date. Deferred tax assets are recognized only if there is reasonable certainty that sufficient future taxable income will be available, against which they can be realized. If there is unabsorbed depreciation or carry forward of losses under income tax laws, deferred tax assets are recognized only to the extent that there is virtual certainty supported by convincing evidence that sufficient future taxable income will be available against which such deferred tax assets can be realized. The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer certain that sufficient taxable income will be available to allow all or part of the deferred tax assets to be utilized.

Eleven months ended February 28, 2010

Income

Our total income was Rs. 3,828.62 million for the eleven months ended February 28, 2010.

Proceeds from sale of land and constructed properties

Proceeds from sale of land and constructed properties was Rs. 1,723.73 million for the eleven months ended February 28, 2010. This was primarily due to the sale of undeveloped land in Bangalore for Rs. 731.73 million and the sale of constructed property in Malaysia for Rs. 992.01 million.

Gain on sale of leased property

Gains on the sale of leased property was Rs. 18.79 million for the eleven months ended February 28, 2010, primarily consisting of the gain on the sale of a portion of a leased project within *Manyata Embassy Business Park* to a third party for Rs. 14.32 million and the gain on the sale of a portion of *Embassy Signet* to a third party for Rs. 4.47 million.

Revenue from construction contracts

Our revenue from construction contracts was Rs. 159.70 million for the eleven months ended February 28, 2010 primarily generated from the sale of residential apartments at *Embassy Habitat*.

Facility rental income

Our facility rental income was Rs. 1,562.88 million for the eleven months ended February 28, 2010. This was primarily due to rental income from *Embassy Golflinks Business Park* of Rs. 698.64 million, *Embassy TechZone* in Pune of Rs. 160.29 million and *Manyata Embassy Business Park* of Rs. 619.09 million.

Business consultancy income

Our business consultancy income was Rs. 120.57 million for the eleven months ended February 28, 2010. This primarily comprised project development fees collected during this period for *Embassy Golflinks Business Park, Manyata Embassy Business Park* and *Embassy TechZone* in Pune.

Miscellaneous income

Miscellaneous income was Rs. 124.24 million for the eleven months ended February 28, 2010, including facility maintenance income received by Golf Links Software Park Private Limited of Rs. 111.17 million.

Other income

Other income was Rs. 118.71 million. This primarily consisted of interest income from banks and income tax refunds of Rs. 71.02 million and miscellaneous income of Rs. 47.69 million.

Expenditure

Total expenditure was Rs. 3,771.81 million for the eleven months ended February 28, 2010.

Cost of inventories sold

Our cost of inventories sold was Rs. 916.28 million for the eleven months ended February 28, 2010. This was primarily due to costs of projects against which revenues were recognized, including Rs. 221.07 million in Bangalore for undeveloped land and Rs. 581.66 million in Malaysia for two towers within *MKN Embassy TechZone*. In addition, we incurred Rs. 113.54 million for the costs of construction of residential apartments in *Embassy Habitat*.

Operating and administrative expenses

Our operating and administrative expenses were Rs. 990.15 million for the eleven months ended February 28, 2010. This primarily consisted of liquidated damages for failure to complete certain project development activities of Rs. 269.13 million, legal and professional fees of Rs. 104.89 million, personnel costs of Rs. 104.40 million, facility maintenance expenses incurred by *Embassy Golflinks Business Park* of Rs. 111.17 million, directors remuneration of Rs. 39.39 million, repairs and maintenance fees of Rs. 30.11 million and miscellaneous expenses of Rs. 91.27 million.

Interest and finance charges

Our interest and finance charges were Rs. 1,609.24 million for the eleven months ended February 28, 2010. This primarily consisted of interest obligations relating to *Manyata Embassy Business Park* of Rs. 591.39 million, *Embassy Golflinks Business Park* of Rs. 448.14 million, *Embassy TechZone* in Pune of Rs. 124.05 million, and bank charges of Rs. 45.79 million. In addition, the Company incurred finance charges of Rs. 296.97 million for general corporate loans.

Depreciation

Depreciation was Rs. 256.14 million for the eleven months ended February 28, 2010.

Profit/(Loss) before Tax

As a result of the foregoing, our profit before tax was Rs. 56.81 million for the eleven months ended February 28, 2010.

Provision for Tax

Our provisions for tax liabilities were Rs. 91.39 million for the eleven months ended February 28, 2010.

Profit/(Loss) before Share of Associates and Minority Interest

As a result of the foregoing, loss before share of associates and minority interest was Rs. 34.58 million for the eleven months ended February 28, 2010.

Share of (Loss)/Profit from Associates

Our share of profit from associates was Rs. 1.09 million for the eleven months ended February 28, 2010.

Minority's Share of Losses in Subsidiaries

Minority's share of losses in subsidiaries was Rs. 27.33 million for the eleven months ended February 28, 2010. This was primarily due to interest expenses in Concord India Private Limited.

Net Profit/(Loss) for the Year

As a result of the foregoing, our net loss was Rs. 6.16 million for the eleven months ended February 28, 2010.

Fiscal 2009 compared with Fiscal 2008

Income

Our total income increased by Rs. 2,112.27 million, or 196.90%, from Rs. 1072.79 million in Fiscal 2008 to Rs. 3,185.05 million in Fiscal 2009. This increase was primarily due to various acquisitions of subsidiaries. For details of these acquisitions, see "*Annexure V*" to our restated consolidated financial statements.

Proceeds from sale of land and constructed properties

Proceeds from sale of land and constructed properties increased by Rs. 771.13 million, or 259.50%, from Rs. 297.16 million in Fiscal 2008 to Rs. 1,068.29 million in Fiscal 2009. The increase was primarily due to the sale of certain blocks within *MKN Embassy TechZone* in Malaysia from which we generated Rs. 613.81 million. In addition, we generated Rs. 369.66 million in Fiscal 2009 from the sale of undeveloped land in Bangalore.

Gain on sale of leased property

Gain on the sale of leased property increased by Rs. 209.62 million, or 198.26%, from Rs. 105.73 million in Fiscal 2008 to Rs. 315.35 million in Fiscal 2009. The increase was primarily due to the sale of projects in *Embassy TechZone* in Pune to a joint venture company, which generated a gain of Rs. 276.97 million.

Revenue from construction contracts

Our revenue from construction contracts decreased by Rs. 75.75 million, or 57.85%, from Rs. 130.94 million in Fiscal 2008 to Rs. 55.19 million in Fiscal 2009. The decrease was primarily due to the fact that lower revenue was recognized for *Embassy Habitat* in Fiscal 2009 compared to Fiscal 2008 as a lower proportion of construction cost for the project was incurred in Fiscal 2009 compared to the proportion in Fiscal 2008.

Facility rental income

Our facility rental income increased by Rs. 971.93 million, or 578.87%, from Rs. 167.90 million in Fiscal 2008 to Rs. 1,139.84 million in Fiscal 2009. The increase was primarily due to the acquisition of a 48.75% interest in a joint venture which holds *Embassy Golflinks Business Park* in October 2008, from which we derived Rs. 362.80 million, and the acquisition of a 32.25% interest in the joint venture which holds *Manyata Embassy Business Park*, from which we derived, Rs. 478.04 million. In addition, the lease of space in *Embassy TechZone* in Pune generated Rs. 75.17 million.

Business consultancy income

Our business consultancy income decreased by Rs. 71.26 million, or 30.10%, from Rs. 236.72 million in Fiscal 2008 to Rs. 165.46 million in Fiscal 2009. The decrease was primarily due to the fact that entities to which we provided such services became partially consolidated, and thus certain revenues were eliminated.

Miscellaneous income

Miscellaneous income increased by Rs. 88.54 million in Fiscal 2009 from nil in Fiscal 2008 to Rs. 88.54 million in Fiscal 2009. The increase was primarily due to facility maintenance income of Rs. 52.94 million received for *Embassy Golflinks Business Park* and Rs. 18.20 million received for *Manyata Embassy Business Park*.

Other income

Other income increased by Rs. 218.04 million, or 162.31%, from Rs. 134.34 million in Fiscal 2008 to Rs. 352.38 million in Fiscal 2009. The increase was primarily due to a Rs. 210.34 million due to an acquisition of a 32.25% interest in the joint venture which holds *Manyata Embassy Business Park*.

Expenditure

Total expenditure increased by Rs. 2,123.02 million, or 241.66%, from Rs. 878.52 million in Fiscal 2008 to Rs. 3,001.54 million in Fiscal 2009.

Cost of inventories sold

Our cost of inventories sold increased by Rs. 313.75 million, or 171.41%, from Rs. 183.04 million in Fiscal 2008 to Rs. 496.79 million in Fiscal 2009. The increase was primarily due to costs associated with the sale of certain towers in *MKN Embassy TechZone* in Malaysia, which amounted to Rs. 367.43 million.

Operating and administrative expenses

Our operating and administrative expenses increased by Rs. 636.57 million, or 157.72%, from Rs. 403.62 million in Fiscal 2008 to Rs. 1,040.19 million in Fiscal 2009. The increase was primarily due to an increase in bad debts written-off and provisions for advances of Rs. 178.61 million, an increase in directors remuneration of Rs. 112.06 million, an increase in professional and consultancy fees of Rs. 69.99 million, an increase in rates and taxes of Rs. 68.37 million, and an increase in salaries and bonuses for employees of Rs. 51.19 million. These increases were primarily due to acquisitions of certain subsidiaries and joint ventures which increased our costs generally as well as a one-time bonus paid to employees and directors.

Interest and finance charges

Our interest and finance charges increased by Rs. 1,022.08 million, or 438.04%, from Rs. 233.33 million in Fiscal 2008 to Rs. 1,255.41 million in Fiscal 2009. The increase was primarily due to the acquisition of a 48.75% interest in *Embassy Golflinks Business Park*, which increased these charges by Rs. 290.95 million, and the acquisition of a 32.25% interest in the joint venture which holds *Manyata Embassy Business Park*, which increased these charges by Rs. 642.44 million.

Depreciation

Depreciation increased by Rs. 150.62 million, or 257.36%, from Rs. 58.53 million in Fiscal 2008 to Rs. 209.15 million in Fiscal 2009. The increase was primarily due to the acquisition of certain subsidiaries and joint ventures which increased our asset base.

Profit/(Loss) before tax

As a result of the foregoing, our profit before tax decreased by Rs. 10.75 million, or 5.54%, from Rs. 194.27 million in Fiscal 2008 to Rs. 183.51 million in Fiscal 2009.

Provision for Tax

Our provisions for tax liabilities increased by Rs. 130.45 million, or 123.86%, from Rs. 105.32 million in Fiscal 2008 to Rs. 235.78 million in Fiscal 2009. The increase was primarily due to higher current taxes due to the fact that deferred tax assets were not created on unabsorbed tax losses in certain subsidiaries/joint ventures computed under the I.T. Act. The failure to create deferred tax assets was due to (i) our inability to ascertain the availability of future taxable profits and (ii) profit arising from transactions with certain subsidiaries/joint ventures was eliminated during consolidation which reduced consolidated profits by Rs. 382.67 million against which no corresponding tax reversal have been recorded in accordance with requirements of Indian Accounting Standard - 21.

Profit/(Loss) before Share of Associates and Minority Interest

As a result of the foregoing, profit before share of associates and minority interest decreased by Rs. 141.23 million, from a profit of Rs. 88.95 million in Fiscal 2008 to a loss of Rs. 52.27 million in Fiscal 2009.

Share of (Loss)/Profit from Associates

Our share of profit from associates decreased by Rs. 99.71 million, from a profit of Rs. 98.88 million in Fiscal 2008 to a loss of Rs. 0.83 million in Fiscal 2009. The decrease was primarily due to the profit from the sale of land in an associate partnership firm in Fiscal 2008, which did not recur in Fiscal 2009.

Minority's Share of Losses in Subsidiaries

Minority's share of losses in subsidiaries increased by Rs. 16.29 million, from nil in Fiscal 2008 to Rs. 16.29 million in 2009.

Net Profit/(Loss) for the Year

As a result of the foregoing, net profit for the year decreased by Rs. 224.61 million, from a profit of Rs. 187.83 million in Fiscal 2008 to a loss of Rs. 36.81 million in Fiscal 2009.

Fiscal 2008 compared with Fiscal 2007

Income

Our total income decreased by Rs. 416.49 million, or 27.97%, from Rs. 1,489.27 million in Fiscal 2007 to Rs. 1,072.79 million in Fiscal 2008.

Proceeds from sale of land and constructed properties

Proceeds from sale of land and constructed properties decreased by Rs. 133.66 million, or 31.02%, from Rs. 430.81 million in Fiscal 2007 to Rs. 297.16 million in Fiscal 2008. The decrease was primarily due to the sale of an option to purchase land located in Hyderabad which generated Rs. 222.39 million in Fiscal

2007, which did not recur in Fiscal 2008. This decrease was partially offset by an increase in the proceeds from the sale of constructed properties of Rs. 68.54 million.

Gain on sale of leased property

Gain on the sale of leased property increased by Rs. 105.73 million in Fiscal 2008 from nil in Fiscal 2007 to Rs. 105.73 million in Fiscal 2008. The increase was primarily due to the sale of a portion of leased property, *Embassy Signet*.

Revenue from construction contracts

Our revenue from construction contracts decreased by Rs. 393.89 million, or 75.05%, from Rs. 524.83 million in Fiscal 2007 to Rs. 130.94 million in Fiscal 2008. The decrease was primarily due to the fact that lower revenue was recognized for Embassy Habitat in Fiscal 2008 compared to Fiscal 2007 as a lower proportion of construction cost for the project was incurred in Fiscal 2008 compared to the proportion in Fiscal 2007.

Facility rental income

Our facility rental income increased by Rs. 28.37 million, or 20.33%, from Rs. 139.54 million in Fiscal 2007 to Rs. 167.90 million in Fiscal 2008. The increase was primarily due to new rentals from *Embassy Icon* which generated Rs. 19.59 million in Fiscal 2008.

Business consultancy income

Our business consultancy income decreased by Rs. 119.80 million, or 33.60%, from Rs. 356.52 million in Fiscal 2007 to Rs. 236.72 million in Fiscal 2008. The decrease was primarily due to a peak of construction activity in Fiscal 2007 which generated higher project development fee income compared to Fiscal 2008.

Other income

Other income increased by Rs. 96.77 million, or 257.61%, from Rs. 37.57 million in Fiscal 2007 to Rs. 134.34 million in Fiscal 2008. The increase was due to interest from a loan we made to a joint venture partner in Fiscal 2008.

Expenditure

Total expenditure decreased by Rs. 250.57 million, or 22.19%, from Rs. 1,129.09 million in Fiscal 2007 to Rs. 878.52 million in Fiscal 2008.

Cost of inventories sold

Our cost of inventories sold decreased by Rs. 304.08 million, or 62.42%, from Rs. 487.11 million in Fiscal 2007 to Rs. 183.04 million in Fiscal 2008. The decrease was primarily due to the fact that a higher portion of the construction costs for *Embassy Habitat* was recognized in Fiscal 2007.

Operating and administrative expenses

Our operating and administrative expenses decreased by Rs. 15.79 million, or 3.76%, from Rs. 419.40 million in Fiscal 2007 to Rs. 403.62 million in Fiscal 2008. The decrease was primarily due to a decrease of Rs. 84.08 million in liquidated damages. This decrease was partially offset by an increase in travel expenses of Rs. 25.62 million and an increase in foreign exchange losses of Rs. 22.62 million.

Interest and finance charges

Our interest and finance charges increased by Rs. 80.84 million, or 53.02%, from Rs. 152.49 million in Fiscal 2007 to Rs. 233.33 million in Fiscal 2008. The increase was primarily due to interest charges we incurred in connection with a loan we entered into to finance a loan we made to a joint venture partner in Fiscal 2008.

Depreciation

Depreciation decreased by Rs. 11.57 million, or 16.50%, from Rs. 70.09 million in Fiscal 2007 to Rs. 58.53 million in Fiscal 2008. The decrease was primarily due to the sale of a portion of *Embassy Signet*.

Profit/(Loss) before tax

As a result of the foregoing, our profit before tax decreased by Rs. 165.91 million, or 46.06%, from Rs. 360.18 million in Fiscal 2007 to Rs. 194.27 million in Fiscal 2008.

Provision for Tax

Our provisions for tax liabilities decreased by Rs. 1.19 million, or 1.11%, from Rs. 106.51 million in Fiscal 2007 to Rs. 105.32 million in Fiscal 2008. The decrease was primarily due to a decrease in taxable profits during Fiscal 2008. Although profit before tax decreased by Rs. 165.91 million, the provision for current taxation decreased by Rs. 50.48 million, which was set off by an increase in our deferred tax liabilities of Rs. 48.24 million created in accordance with Indian Accounting Standard – 22 .

Profit/(Loss) before Share of Associates and Minority Interest

As a result of the foregoing, profit before share of associates and minority interest decreased by Rs. 164.72 million, or 64.93%, from Rs. 253.67 million in Fiscal 2007 to Rs. 88.95 million in Fiscal 2008.

Share of (Loss)/Profit from Associates

In Fiscal 2007, our share of loss from associates was Rs. 0.06 million. In Fiscal 2008 our share of profit from associates was Rs. 98.88 million. This increase was primarily due to the profit from the sale of land in an associate partnership firm.

Minority's Share of Losses in Subsidiaries

Minority's share of losses in subsidiaries remained nil in Fiscal 2007 and Fiscal 2008.

Net Profit/(Loss) for the Year

As a result of the foregoing, net profit for the year decreased by Rs. 65.77 million, or 25.94%, from Rs. 253.61 million in Fiscal 2007 to Rs. 187.83 million in Fiscal 2008.

Assets and Liabilities

Assets

Fixed assets

Our fixed assets primarily consist of land and buildings, furniture, fixtures, plant and machinery that we intend to use for lease, as well as motor vehicles and computers. Capital work in progress, including capital advances, includes capital expenditure on assets which are currently under construction and will ultimately be leased. Our net block of fixed assets was Rs. 13,696.43 million, Rs. 10,574.71 million and Rs. 613.85 million as of February 28, 2010, March 31, 2009 and 2008 respectively. The increase in fixed assets from March 31, 2008 to March 31, 2009 was primarily due to an acquisition of subsidiaries and stakes in joint ventures, particularly Golf Links Software Park Private Limited and Manyata Promoters Private Limited. The increase in fixed assets from March 31, 2009 to February 28, 2010 was primarily due to a reclassification of a parcel of land to fixed assets from inventories due to a change in the land's intended use. The land parcel is now intended for use as leased property.

Investments

We invest mainly in joint venture and associate companies. Our aggregated investments were Rs. 393.88 million, Rs. 331.72 million and Rs. 400.97 million as of February 28, 2010, March 31, 2009 and 2008, respectively. Our investments increased as of February 28, 2010 as a result of an investment in debentures in an associate company of Rs. 99.02 million and was partially offset due to the liquidation of mutual funds amounting to Rs. 27.53 million and the sale of investments in associate and other companies amounting to Rs. 5.67 million.

Current assets, loans and advances

Our current assets, loans and advances comprise inventories, sundry debtors, cash and bank balances and loans and advances (some of which are further detailed below). Our total current assets, loans and advances were Rs. 8,071.68 million, Rs. 10,648.65 million and Rs. 6,316.94 million as of February 28, 2010, March 31, 2009 and 2008, respectively.

Inventories

Our inventories include land and TDRs which we intend to develop and sell, construction work-in-progress and completed (or ready) residential units. Work-in-progress includes building material and costs of projects in relation to unsold units in projects. Our total inventory was Rs. 1,451.83 million, Rs. 2,976.81 million and Rs. 805.78 million as of February 28, 2010, March 31, 2009 and 2008, respectively. The decrease in our inventory as of February 28, 2010 was primarily due to the reclassification of certain inventory to fixed assets as a result of a change in the planned use of such assets. However, the increase from March 31, 2008 to March 31, 2009 was primarily due to the acquisition of certain subsidiaries and joint ventures which increased our asset base.

Sundry debtors

Our sundry debtors changed from Rs. 801.69 million as of March 31, 2008, to Rs. 948.08 million as of March 31, 2009, to Rs. 531.34 million as of February 28, 2010. The decrease from March 31, 2009, to February 28, 2010, was due to recovery of certain debts from Golf Links Software Park Private Limited in 2010.

Cash and bank balances

Our consolidated cash and bank balances comprise cash in hand, balances with banks and fixed deposits placed with banks. Total cash and bank balances were Rs. 683.75 million, Rs. 626.58 million and Rs. 482.89 million as of February 28, 2010, March 31, 2009 and 2008, respectively.

Loans and advances

Loans and advances include advance income tax payments and advances for purchase of land/TDRs, advance tax payment, inter corporate deposits and other advances and deposits. The total loans and advances were Rs. 5,404.76 million, Rs. 6,097.18 million and Rs. 4,220.58 million as of February 28, 2010, March 31, 2009 and 2008, respectively.

Liabilities and Provisions

Current liabilities and provisions

Our total liabilities and provisions were Rs. 23,324.49 million, Rs. 22,849.33 million and Rs. 9,255.38 million as of February 28, 2010, March 31, 2009 and 2008, respectively. Our current liabilities include sundry creditors, advances from customers, security deposits, provision for duties and taxes, interest accrued but not due on term loans and other liabilities. Current liabilities changed between Fiscal 2008 and Fiscal 2009 due to acquisitions of certain subsidiaries and joint ventures.

Liquidity and Capital Resources

As of February 28, 2010, we had cash and bank balances of Rs. 366.50 million net of book overdraft. Cash and bank balances primarily consist of cash on hand and balances with scheduled banks. Our primary liquidity requirements have been to finance our working capital for development of our projects. Historically, we have financed our projects through (i) cash from operations; (ii) sale of equity shares of our Subsidiaries, joint ventures or associates; and (iii) debt financing through bank loans and issuances of non-convertible debentures. For our projects that we develop in collaboration with third parties, such third parties also invest equity capital in the special purpose vehicles setup to develop these projects.

Our business requires a significant amount of working capital. We expect to meet our working capital requirements for the next 12 months primarily from the cash flows from our business operations, project specific borrowings from banks and financial institutions as may be expedient.

Our primary business includes the development and lease of commercial space. The development of such space requires us to enter into long-term financing arrangements. However, where our funding requirements are immediate and financing is available at lower interest rates we use short-term loans, which normally are subsequently replaced with long-term bank financing. There can be no guarantee that

we would continue to be able to replace such short-term financing arrangements with long-terms bank financing in the future.

Cash Flows

(Rs. in millions)

	For the eleven months ended February 28,	For the year ended March 31,		
	2010	**2009**	**2008**	**2007**
Net cash flows (used in)/from operating activities.....	1,763.59	2,706.00	(727.87)	1,092.47
Cash (used in) investing activities.....	(1,422.45)	(1,951.38)	(771.89)	(876.98)
Cash (used in)/from from financing activities	(523.66)	(1,009.28)	1,555.90	70.14
Cash and cash equivalents at end of period.....	366.50	522.56	482.89	426.74

Cash flow generated from/used in operating activities

For the eleven months ended February 28, 2010, we had profit before taxation of Rs. 57.90 million. Our operating profit before working capital changes was Rs. 1,795.58 million primarily as a result of adjustments for depreciation of Rs. 256.14 million and interest expenses of Rs. 1,563.44 million. However, net cash generated in operating activities was Rs. 1,763.59 million as a result of working capital adjustments, including a Rs. 399.53 million decrease in sundry debtors and a Rs. 711.32 million decrease in loans and advances and other current assets. We also paid Rs. 219.58 million in direct taxes.

For Fiscal 2009, we had profit before taxation of Rs. 182.68 million. Our operating profit before working capital changes was Rs. 1,494.90 million primarily as a result of adjustments for depreciation of Rs. 209.15 million and interest expenses of Rs. 1,250.40 million. However, net cash generated in operating activities was Rs. 2,706.00 million as a result of working capital adjustments, including a Rs. 658.34 million increase in current liabilities and provisions and a Rs. 2,503.80 million decrease in loans and advances and other current assets. We also paid Rs. 364.17 million in direct taxes.

For Fiscal 2008, we had profit before taxation of Rs. 293.15 million. Our operating profit before working capital changes was Rs. 384.34 million primarily as a result of adjustments for depreciation of Rs. 58.53 million and interest expenses of Rs. 231.54 million. However, net cash used in operating activities was Rs. 727.87 million primarily as a result of working capital adjustments, including a Rs. 451.82 million increase in sundry debtors and a Rs. 344.77 million increase in inventories. We also paid Rs. 90.19 million in direct taxes.

For Fiscal 2007, we had profit before taxation of Rs. 360.12 million. Our operating profit before working capital changes was Rs. 626.51 million primarily as a result of adjustments for depreciation of Rs. 70.09 million and interest expenses of Rs. 152.49 million. However, net cash generated in operating activities was Rs. 1,092.47 million primarily as a result of working capital adjustments, including a Rs. 884.37

million decrease in current liabilities and provisions and a Rs. 94.37 million increase in sundry debtors. We also paid Rs. 145.50 million in direct taxes.

Cash flow generated from/used in investing activities

In the eleven months ended February 28, 2010, our net cash used in investing activities was Rs. 1,422.45 million. This reflected Rs. 1,363.88 million used in the purchase of fixed assets used in *Manyata Embassy Business Park* and *Embassy Golflinks Business Park* and Rs. 207.56 million used in investments made in various group entities, partially offset by the proceeds of the sale of fixed assets of Rs. 88.55 million. This sale of fixed assets primarily consisted of the sale of land intended for residential use and the sale of a portion of *Embassy Signet*.

In Fiscal 2009, our net cash used in investing activities was Rs. 1,951.38 million. This reflected Rs. 3,979.93 million used in the purchase of fixed assets used in *Manyata Embassy Business Park* and *Embassy TechZone* in Pune and Rs. 82.88 million used in investments made in various group entities, partially offset by the proceeds of the sale of fixed assets of Rs. 1,764.27 million. This sale of fixed assets primarily consisted of the sale of fixed assets and capital work in progress related to projects in *Embassy TechZone* in Pune to certain joint venture companies.

In Fiscal 2008, our net cash used in investing activities was Rs. 771.89 million. This reflected Rs. 2,216.06 million used in the purchase of fixed assets used in *Embassy TechZone* in Pune and Rs. 225.70 million used in investments made in various group entities and mutual funds, partially offset by Rs. 977.77 million of advances received for the sale of fixed assets related to *Embassy TechZone* in Pune.

In Fiscal 2007, our net cash used in investing activities was Rs. 876.98 million. This reflected Rs. 724.60 million used in the purchase of fixed assets used in *Embassy TechZone* in Pune and the purchase of a fixed asset related to *Embassy Signet* and Rs. 145.21 million used in investments in debentures in Group entities.

Cash flow generated from/used in financing activities

In the eleven months ended February 28, 2010, our net cash used in financing activities was Rs. 523.66 million. We used Rs. 1,564.97 million to pay interest on certain borrowings, which was partially offset by Rs. 1,041.31 million generated from new borrowings mainly for *Embassy TechZone* in Pune, *Manyata Embassy Business Park* and *Embassy Golflinks Business Park*.

In Fiscal 2009, our net cash used in financing activities was Rs. 1,009.28 million. We used Rs. 1,252.75 million to pay interest on certain borrowings and Rs. 312.35 million for the repayment of borrowings, which was partially offset by the Rs. 555.82 million issue of shares by certain joint ventures.

In Fiscal 2008, our net cash generated from financing activities was Rs. 1,555.90 million. We generated Rs. 1,562.34 million from new borrowings for *Embassy TechZone* in Pune. In addition, we generated Rs. 225.10 million from issue of shares by certain joint ventures. However, we used Rs. 231.54 million for interest payments.

In Fiscal 2007, our net cash generated from financing activities was Rs. 70.14 million. We generated Rs. 222.63 million from new borrowings for *Embassy TechZone* in Pune and *Embassy Signet*. However, we used Rs. 152.49 million for interest payments on existing borrowings.

Capital Expenditure

We have invested, in aggregate, Rs. 814.14 million, Rs. 2,573.11 million, Rs. 6,883.52 million and Rs. 994.90 million on capital expenditure in Fiscal 2007, Fiscal 2008, Fiscal 2009 and the eleven months ended February 28, 2010, respectively.

(Rs. in millions)

	For the eleven months ended February 28,	**For the year ended March 31,**		
	2010	**2009**	**2008**	**2007**
Capital Work In Progress	245.61	1,135.18	2,537.96	198.79
Fixed Assets	749.29	5,748.34	35.15	615.35
Total	994.90	6,883.52	2,573.11	814.14

For the year ending March 31, 2011, we intend to spend Rs. 9,604 million to construct the projects at *Manyata Embassy Business Park*, *Embassy TechZone, Pune* and *Embassy TechSquare*.

For details regarding our planned expenditure and funding for certain of our Ongoing Projects and Proposed Projects for which proceeds from the Issue will be used, see "*Objects of the Issue – Details of the Objects*".

Financial Indebtedness

The following table sets forth our consolidated secured and unsecured debt position as at February 28, 2010.

(Rs. in millions)

Particulars	
Secured loans:	
Long terms loans	
- from banks and financial institutions	12,969.30
- vehicle loans.....	2.33
From others	
- inter corporate loans.....	490.00
	13,461.63
Short term loans	
- from banks.....	1,023.41
- bank overdraft	-
Interest accrued and due	7.94
Total secured loans.....	**14,492.98**
Unsecured loans:	

Particulars	(Rs. in millions)
From Promoters and Group Companies of Promoters	852.17
From others	366.58
Total unsecured loans	**1,218.75**
Total indebtedness	**15,711.73**

As of February 28, 2010, our total unconsolidated indebtedness was Rs. 3,253.85 million.

For description of our financial indebtedness, see "*Financial Indebtedness*" on page 468.

Contractual Obligations

Our total contractual obligations as of February 28, 2010 were Rs. 3,073.10 million; all of which were due within two years.

Contingent Liabilities

As of February 28, 2010, we had the following contingent liabilities that have not been provided for in our consolidated financial statements:

	(Rs. in millions)
Commitment for purchase of shares in:	
- Gordon Woodroffe Limited	2,131.40
Corporate Guarantee given in favor:	
- of a bank for loans taken by other companies	6,118.90
Income tax cases	10.45
Entry tax claims	1.03
Others	
- Commitment for land	54.51
- Estimated amount of contract remaining to be executed on capital account and not provided for (net of advances)	3,073.10
Total	**11,389.39**

Off-Balance Sheet Arrangements

Except for our contingent liabilities described above, we do not have any off-balance sheet arrangements, derivative contracts, swap transactions or relationships with unconsolidated entities or financial partnerships that would have been established for the purpose of facilitating off-balance sheet transactions.

Quantitative and Qualitative Disclosure about Market Risk

Interest Rate Risk

Our financial results are subject to changes in interest rates, which may affect our debt service obligations. Substantially all of our indebtedness is subject to floating interest rates.

Commodity Price Risk

We are exposed to market risk with respect to the prices of raw material and components used in our projects, particularly steel and cement. For steel and cement, contractors pass through those costs to us. For other raw materials such as wood and aluminum, the contractors purchase them and provide us with a fixed cost for all their services. The costs for these raw materials and components are subject to fluctuation based on commodity prices. The cost of components and various small parts sourced from outside manufacturers may also fluctuate based on their availability from suppliers. We are exposed to volatility because the prices we pay construction companies will fluctuate depending on raw material movements.

Seasonality

Our operations may be adversely affected by difficult working conditions during monsoons that restrict our ability to carry on construction activities and fully utilize our resources. However, we generally do not believe that our business is seasonal. Our business is also cyclical and fluctuates in line with the general economic and real estate industry cycles.

Foreign currency risk

Although our revenues and expenses are primarily denominated in Indian Rupees, because of the geographic diversity of our business, we receive revenue and incur expenses in a variety of currencies including Malaysian Ringgit, Serbian Dollars, Euro and US Dollars. In addition, our financial statements are presented in Indian Rupees. Changes in the value of such foreign currencies against the Indian Rupee can cause fluctuations in our consolidated results of operations and could have a material effect on our reported financial results.

With respect to such translation risk, even though the fluctuations of currencies against the Indian Rupee can be substantial and therefore significantly impact comparisons with prior periods, the translation impact is a reporting consideration and does not affect the underlying results of operations, as transaction risk does.

Although in the past we have entered into a foreign currency derivative contracts, we do not have any such derivative contracts outstanding and do not intend to enter into such contracts in the future.

Credit Risk

We are exposed to credit risk from our buyers paying in installments. Credit risk is the risk of loss that may occur from the failure of a customer to abide by the terms of conditions of its financial contract with us, principally the failure to make required payments on amounts due to us. We allow customers to pay in installments for projects during the construction period. The credit risk we face is mitigated by the terms of the standard agreements with our buyers whereby the property may be returned to us in the event of a customer's failure to pay its installment obligations. In addition, although we collect security deposits from our tenants, we are subject to tenants at our projects failing to pay rent on a timely basis or at all.

Inflation

In recent years, although India has experienced minor fluctuations in inflation rates, inflation has not had material impact on our business and results of operations.

Related Party Transactions

For details in relation to the related party transactions, see "*Financial Statements*" on page 421.

Significant Developments after February 28, 2010, that May Affect Our Future Results of Operations

Subsequent to February 28, 2010, we have invested certain amounts of money in the entities specified below whereby the stake of our Company in such entities has increased as indicated:

(Rs. in millions)

Sl. No	Name of the Entity	Existing stake of our Company (in percentage)	Amount Invested	Post Investment effective stake of our Company (in percentage)
1	Saphire Realtors Private Limited	72.79%	50,060,000	93.00%

Note:
* 300,000 Shares of Rs. 10 each fully paid and 47,060,000 Shares of Rs. 10 each, Rs. 1 partly paid.

Subsequent to February 28, 2010, we have also disposed our investments in certain entities as indicated below:

Sl. No	Name of the Entity	Holding Post dilution of Investment (in percentage)
1	Star Pyramid	50.00%

No circumstances have arisen since the date of the last financial statements as disclosed in this Draft Red Herring Prospectus, which materially and adversely affect or are likely to affect, our revenues and profitability, or the value of our consolidated assets or our ability to pay our material liabilities within the next 12 months.

Unusual or Infrequent Events or Transactions

To our knowledge there have been no unusual or infrequent events or transactions that that may be described as "unusual" or "infrequent" and may have taken place during the last three years, except as disclosed in the Draft Red Herring Prospectus.

Future Relationship between Costs and Income

Other than as described in this section and the sections "*Risk Factors*" and "*Our Business*" on pages xiv and 120, respectively, to our knowledge, there are no known factors which will materially impact the future relationship between our operations and revenues.

Significant Regulatory Changes

Except as described in "*Regulations and Policies*" on page 180, there have been no significant regulatory changes that could affect our income from continuing operations.

Known Trends or Uncertainties

Except as described in this Draft Red Herring Prospectus in general and "*Risk Factors*" on page xiv and this section in particular, to the best of our knowledge and belief, there are no known trends or uncertainties that have or had or are expected to have any material adverse impact on our revenues or income from continuing operations.

New Products or Business Segments

There are currently no publicly announced new products or business segments. For further details on our business strategy, see "*Our Business – Our Strategy*" on page 125.

Dependence on a Few Suppliers/Customers

We do not depend on any particular supplier or customer.

Total Turnover of Each Major Industry Segment

We report industry segments under our financial statements prepared in accordance with Indian GAAP.

Competitive Conditions

We operate in a competitive environment. For further details, please refer to the discussions of our competition in the sections "*Risk Factors*" and "*Our Business*" on pages xiv and 120, respectively.

FINANCIAL INDEBTEDNESS

SECURED BORROWINGS

As on May 31, 2010, the aggregate outstanding secured borrowings of our Company, subsidiaries and joint ventures is Rs 32,248.81. The outstanding secured borrowings as per the unaudited consolidated financial statements of our Company as at May 31, 2010 amounts to Rs 15,640.18. The consolidated loan balance of Rs 15,640.18 has been arrived at after considering the percentage stake held in the joint ventures.

I. LOANS AVAILED BY OUR COMPANY

1. Term loan availed from United Bank of India

Loan agreement dated April 4, 2009, Memorandum of deposit of title deeds dated March 31, 2009 and Sanction letter dated February 12, 2009

(Rs. in million)

Sanctioned amount	Drawdown amount as on May 31, 2010	Outstanding amount as on May 31, 2010	Interest	Purpose of loan/Repayment/Security
300	149.43	149.43	Prime lending rate of the bank plus 1.25 percent, currently 14.25% per annum, reset annually and payable monthly.	• This loan has been availed for part financing our project, 'Embassy Galaxy'. • This loan is repayable in 108 equated monthly instalments of Rs. 4,900,000 (Rupees Forty Nine Lakhs only) each during the period from 2010 to 2021. The monthly instalments will commence from June 2010. • This loan is secured by: (a) A first mortgage and charge by deposit of joint development agreement and other documents falling in the share of the Company in respect of the property bearing No. 43 and 43/1, situated at Residency Road, Bruhat Bangalore Mahanagara Palike, Ward No. 76, Bangalore in favour of the bank; (b) A first charge by way of assignment of lease rentals in respect of the portion of the project owned by our Company and hypothecation of movable assets pertaining to the project; and (c) Personal guarantee of Jitendra Virwani.

The following restrictive provisions are also applicable in relation to the above loan availed by our Company from United Bank of India:

- The Company shall not make investments of its fund by way of deposits, loans or investments in the share capital of any person or take assets on lease without the prior written approval of the bank except in the normal course of business.

- The funds raised for the project shall be utilized only for the project and shall not be utilized for subscription or purchase of shares and debentures; or repayment of dues of banks or institutions for any other project or for extending loans to subsidiaries or associate companies or making any inter corporate deposits or for speculative purposes.

- The Company shall not without prior written permission of the bank:

  (i) effect any change in its capital structure;

  (ii) formulate any scheme of amalgamation or reconstruction;

  (iii) invest by way of share capital in or lend or advance funds to or place deposits with any other concern (including group companies), normal trade credit or security deposits in the normal course of business or advances to employees are exempted;

  (iv) enter into borrowing arrangements either secured or unsecured with any other bank, financial institution or accept deposits apart from arrangements indicated in the funds flow statements submitted to the bank and approved by the bank;

  (v) undertake any guarantee obligation on behalf of any other person;

  (vi) declare dividends if the Company has defaulted in meeting its payment obligations to the bank;

  (vii) create any charge, lien or encumbrance over its undertaking or any part thereof in favour of any person;

  (viii) sell, assign, mortgage or otherwise dispose off any of the fixed assets charged to the bank;

  (ix) enter into any contractual obligation of a long term nature or affecting the Company financially to a significant extent;

  (x) change the practices with regard to remuneration of directors;

  (xi) undertake any trading activity other than those pertaining to the project;

  (xii) permit any transfer of the controlling interest or make any drastic change in the management set up; and

  (xiii) repay monies brought in by promoters or directors or principal shareholders and their friends and relatives by way of deposit or loans or advances and inter corporate deposits brought in by promoters.

- Unsecured loans inducted into the Company shall not fall below the level as on March 31, 2008 i.e. Rs. 154.6 million.

2. Loan availed from LIC Housing Finance Limited

Letter dated November 30, 2009, Loan agreement dated December 17, 2008 and sanction letter dated September 30, 2008

(Rs. in million)

Sanctioned amount	Drawdown amount as on May 31, 2010	Outstanding amount as on May 31, 2010	Interest	Purpose of loan/Repayment/Security
500	500	500	15.25% per annum (fixed) payable monthly	• This loan was availed for taking over the loan from Standard Chartered Bank, which was used to construct the commercial premises of the project, 'Embassy Paragon'. • The loan is repayable by bullet repayment at the end of the moratorium period which was extended for a further period of twelve months i.e. till November 7, 2010. However, LIC Housing Finance Limited will retain the first right to convert this loan into lease rental discounting. • This loan is secured by: (a) Equitable mortgage (to the extent the share of our Company) of the land over which the project, 'Embassy Paragon' is located and structure thereon; (b) Hypothecation by way of first charge of the receivables and book debts in respect of the project, 'Embassy Paragon'; (c) Personal guarantee of Jitendra Virwani; (d) Post dated cheques for repayment of the principal amount of loan and for the interest due and payable on the loan; and (e) Demand promissory note.

The following restrictive provisions are also applicable in relation to the above loan availed by our Company from LIC Housing Finance Limited:

- The Company shall utilize the loan for the purpose of construction and completion of the project, 'Embassy Paragon'.

- No diversion of funds is to be made to other projects or investments.
- The Company shall not without the prior written consent of the bank:

  (i) raise loans or any other borrowing from any other source for the purpose of construction or completion of the project 'Embassy Paragon' or any part thereof;

  (ii) let out or otherwise howsoever part with the possession of the property or any part thereof except to the purchasers;

  (iii) amalgamate or merge its property with any other adjacent property nor shall create any right of way or any other easement on the property;

  (iv) distribute dividends or declare bonus shares to shareholders when any instalment of interest or principal payable to the bank has fallen due and has remained unpaid;

  (v) formulate or effect any merger, amalgamation, reconstruction or consolidation;

  (vi) effect any change in the capital structure, management set up, depreciation method or accounting procedures etc.;

  (vii) money brought in by principal shareholders, directors or promoters will not be withdrawn; and

  (viii) repay any unsecured loans and refund share application money till the loan is fully repaid.

- On occurrence of an event of default, the bank can appoint a nominee director on the Board of our Company.
- Our Company shall ensure that the security cover is at least 1.75 times the loan amount at all times during the subsistence of the loan.

3. Vehicle loan from Citibank N.A

Auto loan cum hypothecation cum guarantee Agreement dated January 22, 2008

(Rs. in million)

Sanctioned amount	Drawdown amount as on May 31, 2010	Outstanding amount as on May 31, 2010	Interest	Purpose of loan/Repayment/Security
1.8	1.8	0.475	11.51% per annum, payable monthly.	• This loan has been availed for purchasing a car. • The loan is repayable in 36 monthly instalments of Rs. 59,364 commencing from January 1, 2008. • This loan is secured by hypothecation of the vehicle which has been financed.

The following restrictive provision is also applicable in relation to the above loan availed by our Company from Citibank N.A:

- An event of default would be deemed to have occurred *inter alia* if:

  (i) the Company fails to pay the loan or any fee, charge or costs in the manner prescribed;
  (ii) any one monthly instalment or any other amount due, remains unpaid for a period of forty five days; and
  (iii) vehicle provided as security is sold or transferred without the prior approval of the bank.

4. Loan availed from Federal Bank Limited

Security letters dated December 12, 2007 and receipts dated November 19, 2007

(Rs. in million)

Sanctioned amount	Drawdown amount as on May 31, 2010	Outstanding amount as on May 31, 2010	Interest	Purpose of loan/Repayment/Security
18	18	L1 – Rs. 9.55 million and L2 - Rs. 9.53 million, aggregating to Rs. 19.08 million.	11.25% per annum, payable monthly in respect L1 and 7.75% per annum, payable monthly in respect L2.	• The loan has been availed for meeting the working capital requirements of our Company. • The loan is repayable in not less than 18 months from February 7, 2009. • The loan is secured by charge created over the fixed deposits of G.V Properties Private Limited and Umbel Properties Private Limited.

Note: The sanctioned amount of Rs. 18 million comprises of two Rs. 9 million loan, one availed against availed against fixed deposit of Umbel Properties Private Limited (L1) and the other against fixed deposit of G.V. Properties Private Limited(L2).

5. Short term loan availed from ICICI Bank Limited[1]

Loan agreement dated September 26, 2009, memorandum of entry dated September 29, 2009 and sanction letter dated September 26, 2009

(Rs. in million)

Sanctioned amount	Drawdown amount as on May 31, 2010	Outstanding amount as on May 31, 2010	Interest	Purpose of loan/Repayment/Security
1,000	1,000	929.90	At the rate of interest stipulated by the bank at the time of disbursement of each drawal on the basis of repayment schedule for that drawal, currently 11.50% per annum.	• This loan has been availed for (a) part financing the construction cost of our project, 'Zenith'; (b) repaying the high cost inter corporate deposit to Rajesh Exports Limited and (c) for repaying the creditor, Synergy Property Development Private Limited for the project 'Embassy Paragon'.

[1] *This loan has been repaid as on June 26, 2010 and a new loan of Rs. 550 million has been availed from Indiabulls Financial Services Limited on June 22, 2010.*

	• This loan is repayable in 6 months from the date of the first drawdown or March 15, 2010 whichever is earlier. • This loan is secured by: (a) Exclusive charge by way of equitable mortgage of the converted land bearing Sy. Nos. 140, 143/1A, 144 and 142/1 situated at Kodihalli Village, Varthur Hobli, Bangalore East Taluk, Bangalore District totally measuring around 345,165 sq. ft., together with the structure thereon, both present and future, being valued at Rs. 1,518.70 million; (b) Personal guarantee executed by one of our Promoters, Jitendra Virwani; and (c) Demand promissory note from our Company.

The following restrictive provisions are also applicable in relation to the above loan availed by our Company from ICICI Bank Limited:

- The Company shall not, without the prior written approval of the bank undertake or permit any merger, demerger, consolidation, reorganization, scheme of arrangement or compromise with its creditors or shareholders or effect any scheme of amalgamation or reconstruction including creation of any subsidiary or permit any company to become its subsidiary.

- The Company shall not, without the prior written approval of the bank declare or pay any dividend or authorize or make any distribution to its shareholders or members or partners or permit withdrawal of amounts brought in (i) unless it has paid all the dues in respect of the facility upto the date on which the dividend is proposed to be declared/paid or such distribution is to be made or has made provisions therefore satisfactory to the bank, or (ii) if an event of default has occurred and is subsisting or would occur as a result of such declaration or payment of dividend or authorization or making of distribution.

- In case, the value of the properties secured to the bank or the security trustee falls below the security cover of 1.50 times of the outstanding facility amount during the entire tenure of the facility, the Company shall create security on additional assets in favour of the bank or a security trustee, as the case may be.

- The bank will be entitled to appoint its nominee on the Board of the Company upon occurrence of an event of default and the Company is required to suitably amend its constitutional documents for this purpose.

II. LOANS AVAILED BY OUR SUBSIDIARIES[2]

A. PUNE DYNASTY PROJECTS PRIVATE LIMITED

Term loan (future lease rentals) availed from Punjab National Bank

Term loan cum hypothecation agreement dated August 5, 2009, letter dated September 7, 2009 and sanction letter dated July 16, 2009

(Rs. in million)

Sanctioned amount	Drawdown amount as on May 31, 2010	Outstanding amount as on May 31, 2010	Interest	Purpose of loan/Repayment/Security
685	685	659.58	2.5% over the bank's prime lending rate, currently 12% per annum with monthly rests and is payable monthly.	• This loan has been availed for repayment of the project loan availed from Punjab National Bank and State Bank of India. • The loan is repayable in 117 monthly instalments commencing from July 2009. • The loan is secured by: (a) Assignment of future lease rentals pertaining to a portion of the building, 'Embassy TechZone', Pune (block 11) constructed on the property situated at Plot No. PL-3, Rajiv Gandhi Info Tech Park, Hinjewadi, Phase II, Pune. The leased property is measuring 168,899 sq. ft; (b) First charge by way of equitable mortgage of 95 years leasehold rights of undivided land measuring 802,244 sq. ft with vacant area of 667,315 sq. ft and 134,929 sq. ft utilized for construction of block 11 and training centre at 'Embassy TechZone', Pune; (c) Second charge by way of equitable mortgage on 95 years lease hold rights of land standing in the name of Pune Embassy Projects Private Limited measuring 1,394,453 sq.ft (land on the SEZ area excluding construction on blocks 1, 2 and 5, land area aggregating to 783,547 sq.ft) (d) Corporate guarantee from our Company and Pune Embassy Projects Private Limited; and (e) Personal guarantee of Jitendra Virwani.

[2] *Pune Embassy Projects Private Limited (borrower) and Swire Investments Private Limited (co-borrower) have availed a loan of Rs. 2,000 million from Indiabulls Financial Services Limited on June 22, 2010.*

The following restrictive provisions are also applicable in relation to the above loan availed by Pune Dynasty Projects Private Limited from Punjab National Bank:

- Company shall submit registered lease deeds of all the lessees and the lease deeds should not contain any extraneous clauses which would affect the bank's interest;

- Pune Dynasty Projects Private Limited shall take prior permission of the bank to:

  (i) effect any change in the capital structure;

  (ii) formulate any scheme of amalgamation or reconstruction;

  (iii) undertake any new projects or expansion scheme;

  (iv) make investments in associate, allied or group concerns;

  (v) create any charge on the property without prior approval of the lenders;

  (vi) undertake any guarantee obligations;

  (vii) effect any drastic changes in the management;

  (viii) declare dividends for any year, if the accounts of Pune Dynasty Projects Private Limited with the bank is/are running irregular or if any of the terms and conditions of the sanction remain uncomplied with by it; and

  (ix) permit any transfer of the controlling interest.

- Pune Dynasty Projects Private Limited shall not divert or utilize bank's funds to other associate or group concerns or for purposes other than those for which the credit facilities have been sanctioned.

B. PUNE EMBASSY PROJECTS PRIVATE LIMITED

1. Loan availed from State Bank of India

Supplemental agreement dated March 13, 2009, loan agreement dated January 28, 2009, sanction letter dated December 10, 2008, sanction letter dated February 24, 2010, March 4, 2009, letter dated February 23, 2010 and sanction letter March 3, 2010

(Rs. in million)

Sanctioned amount	Drawdown amount as on May 31, 2010	Outstanding amount as on May 31, 2010	Interest	Purpose of loan/Repayment/Security
3,204.3	2,118.82	TL I – Rs. 617.53 million; TL II – Rs. 440.70 million; CC I – Rs. 646.21million	TL I – 0.25% above the bank's benchmark prime lending rate, currently 12% per	• This loan has been availed for meeting working capital requirements of Pune Embassy Projects Private Limited (based on the cash budget only and with no diversion of short term funds for long term uses). • The loan is repayable in the following manner: (i) TL I is repayable in 103 monthly

	; and CC II – Rs. 889.56 million, aggregating to Rs. 2,594 million.	annum; TL II - 1% above the bank's benchmark prime lending rate, currently 12.75% per annum; CC I – 1.50% above the bank's benchmark prime lending rate, currently 13.25% per annum; and CC II – 1.25% above the bank's benchmark prime lending rate, currently 13% per annum;	instalments of Rs. 11,294,690 commencing from December 2008. (ii) TL II is repayable in 84 monthly instalments commencing from the month following the disbursement; (iii) CC I is repayable by September 30, 2010; and (iv) CC II is repayable within fifteen months from the date of first disbursement. • The loan has been secured in the following manner: (i) Common securities for the facilities, TL I, TL II and CC I are as follows: (a) Second charge on the land standing in the name of Pune Dynasty Projects Private Limited measuring 667,315 sq.ft (land on STPI area excluding construction on block II of and training centre aggregating 134,929 sq.ft) on pari passu basis; (b) Corporate guarantee of Pune Dynasty Projects Private Limited and our Company; and (c) Personal guarantee of Jitendra Virwani. (ii) TL I is secured by: (a) Assignment of rent receivables from block I of the project Embassy TechZone (Pune) admeasuring 263,424 sq.ft, secured through irrevocable letter of authority registered with lessee for payment of rent to bank at monthly intervals; (b) Extension of charge on 1,297,309 sq.ft of SEZ land out of total SEZ area of 21, 78,000 sq.ft (after reducing respective areas under blocks I, II, III and V) within Embassy TechZone (Pune) on pari-passu basis; and (c) Extension of charge on land and building situated in blocks II, III and V of Embassy TechZone (Pune). (iii) TL II is secured by: (a) Assignment of rent receivables from block II of the project, Embassy TechZone (Pune) admeasuring

263,424 sq.ft, secured through irrevocable letter of authority registered with lessee for payment of rent to bank at monthly intervals;

(b) Extension of charge on 1,297,309 sq.ft of SEZ land out of total SEZ area of 2,178,000 sq.ft (after reducing respective areas under blocks I, II, III and V) within Embassy TechZone (Pune) on pari-passu basis; and

(c) Extension of charge on land and building situated in blocks I, III and V of Embassy TechZone (Pune).

(iv) CC I is secured by:

(a) Equitable mortgage of 95 years leasehold rights of undivided land in block V measuring 385,135 sq.ft out of 2,178,000 sq.ft (i.e. in the SEZ area and building to be constructed thereon) situated at Plot No. PL-3, Rajiv Gandhi Infotech Park, Hinjewadi Phase II, Pune on pari passu basis with Punjab National Bank;

(b) Extension of charge on 1,297,309 sq.ft of SEZ land out of total SEZ area of 2,1 78,000 sq.ft (after reducing respective areas under blocks I,II,III and V) within Embassy TechZone (Pune) on pari-passu basis; and

(c) Extension of charge on land and building situated in blocks I, II and III of Embassy TechZone (Pune).

(v) CC II is secured by:

(a) Equitable mortgage of 95 years leasehold rights of undivided land in block III and multiple level car parking in block III, measuring 97,144 sq.ft out of 2,178,000 sq.ft (i.e. in the SEZ area) and building to be constructed thereon at a cost of Rs. 1,939.6 million, situated at Plot No. PL -3, Rajiv Gandhi Infotech Park, Hinjewadi Phase – II, Pune;

(b) Second charge on land standing in the name of Pune Dynasty projects Private Limited admeasuring 667,315 sq.ft (land on STPI area excluding construction on block II and training centre aggregating 134,929 sq.ft) on pari-pasu basis;

	(c) Extension of charge on 1,297,309 sq.ft of SEZ land out of total SEZ area of 21, 78,000 sq.ft (after reducing respective areas under blocks I, II, III and V) within Embassy TechZone (Pune) on pari-passu basis; (d) Extension of charge on land and building situated in blocks I, II and V of Embassy TechZone (Pune); (e) Corporate guarantee of our Company and Pune Dynasty Projects Private Limited; and (f) Personal guarantee of Jitendra Virwani.

Note: The aggregate loan amount of Rs. 3,909.3 million is comprised of the term loan I (rental discounting) (TL I) - Rs. 679.3 million;(ii) term loan II (rental discounting) (TL II) - Rs. 500 million;(iii) cash credit I (construction loan) (CC I) - Rs. 775 million; and (iv) cash credit II (construction loan)(CC II) - Rs. 1,250 million.

The following restrictive provisions are also applicable in relation to the above loan availed by Pune Embassy Projects Private Limited from State Bank of India:

- The bank will have the first charge on the profits of Pune Embassy Projects Private Limited after provision for taxation and dividend where applicable for repayment of instalments under term loans granted/deferred payment guarantees executed by the bank or other repayment obligations; if any due from Pune Embassy Projects Private Limited to the bank.

- Pune Embassy Projects Private Limited shall not withdraw except with the bank's prior permission in writing or divert or misuse the funds and assets invested in or brought into the business by Pune Embassy Projects Private Limited as capital, deposits or otherwise.

- The shareholding of such of the shareholders in Pune Embassy Projects Private Limited who are its directors at present and the principal shareholders and promoters of Pune Embassy Projects Private Limited shall not be varied without the previous written consent of the bank.

- The bank shall have a right to appoint and/or remove, from time to time, a director or directors on the board of directors of the Pune Embassy Projects Private Limited as nominee director to protect the interest of the bank subject however that the director or directors so appointed by bank shall not be liable to retire by rotation and need not possess any share qualification prescribed by the articles of association of Pune Embassy Projects Private Limited.

- Negative covenants imposed on Pune Embassy Projects Private Limited are as follows:

  (i) Effect any change in the capital structure;

  (ii) Formulate any scheme of amalgamation or reconstruction;

  (iii) Undertake any new project, implement any scheme of expansion or acquire fixed assets;

(iv) Withdraw the money brought in by promoters and directors or relatives and friends of the promoters or directors of Pune Embassy Projects Private Limited;

(v) Invest by way of share capital in or lend or advance funds to or place deposits with any other concern;

(vi) Enter into borrowing arrangement either secured or unsecured with any other bank, financial institution, company or others;

(vii) Undertake any guarantee obligations on behalf of Pune Embassy Projects Private Limited;

(viii) Declare dividends for any year out of the profits relating to that year or of the previous years except where the instalments of principal and interest payable to the bank in respect of the aforesaid credit facility are being paid regularly and there are no irregularities whatsoever in respect of the aforesaid credit facilities;

(ix) Change the practice with regard to remuneration of directors; and

(x) Permit any transfer of the controlling interest or make any drastic change in the management set-up.

- The following restrictive provisions are applicable in relation to cash credit facilities only:

  (i) The group companies of Pune Embassy Projects Private Limited should not withdraw unsecured loans of Rs. 225.5 million for the proposed project during currency of the cash credit and short term loan; No interest shall be paid on the unsecured loans till the bank loans are repaid; and

  (ii) Management control by our Company should be ensured.

2. Term loan availed from Punjab National Bank

Letter dated February 13, 2010, term loan agreement dated June 2009, supplementary agreement dated June 2009 and sanction letter dated June 8, 2009

(Rs. in million)

Sanctioned amount	Drawdown amount as on May 31, 2010	Outstanding amount as on May 31, 2010	Interest	Purpose of loan/Repayment/Security
705	705	735.42	Bank's prime lending rate plus 0.50%, currently 11.5% per annum with monthly rests	• This loan has been availed for financing the project, 'Embassy TechZone' at Pune. • The loan is repayable on or before September 30, 2010 from the rental discounting of prospective tenants or through promoter funds. • The loan is secured by; (a) Equitable mortgage of 95 years leasehold rights of undivided land measuring 385,135 sq.ft (SEZ land) out of 2,178,000 sq.ft situated at

		Plot No. PL-3, Rajiv Gandhi Infotech Park, Hinjewadi Phase – II, Pune on pari passu basis with State Bank of India;
	(b)	Equitable mortgage of 95 years leasehold rights of 1,394,453 sq.ft (SEZ land) of undivided portion of land situated at Plot No. PL-3, Rajiv Gandhi Infotech Park, Hinjewadi Phase – II, Pune on pari passu basis;
	(c)	Second charge on land standing in the name of Pune Dynasty Projects Private Limited measuring 667,315 sq.ft (STPI area excluding construction on block II and training centre aggregating to 134,929 sq.ft) on pari passu basis with State Bank of India;
	(d)	Corporate guarantee of our Company and Pune Dynasty Projects Private Limited; and
	(e)	Personal guarantee of Jitendra Virwani.

The following restrictive provisions are also applicable in relation to the above loan availed by Pune Embassy Projects Private Limited from Punjab National Bank:

- Pune Embassy Projects Private Limited shall not undertake expansion, diversification or modernisation without obtaining the prior permission of the bank and without proper tie-up of funds.

- No investments shall be made by Pune Embassy Projects Private Limited in the associate, allied or group concerns without prior permission of the bank.

- During the currency of the loan, Pune Embassy Projects Private Limited shall not without the prior approval of the bank in writing:

  (i) declare dividends for any year, if the accounts of Pune Embassy Projects Private Limited with the bank is running irregular or if any of the terms and conditions of the sanction remains uncomplied by it;

  (ii) permit any transfer of the controlling interest or make any drastic change in the management set up; and

  (iii) divert or utilize bank's fund to other associate or group concerns or for the purposes other than those for which the credit facilities have been sanctioned.

- Management control by our Company should be ensured.

C. NAM ESTATES PRIVATE LIMITED

Corporate deposit availed from Housing Development Finance Corporation Limited

Sanction letter dated March 31, 2010 and Letter dated May 3, 2010

(Rs. in million)

Sanctioned amount	Drawdown amount as on May 31, 2010	Outstanding amount as on May 31, 2010	Interest	Purpose of loan/Repayment/Security
1,250	1,250	1,250	Bank's prime lending rate minus 125 bps, currently 13.5% per annum, payable monthly.	• This loan has been availed as corporate deposit for short term funding for working capital requirements. • The loan is repayable in 366 days with effect from May 3, 2010. • The loan is secured by: (a) Mortgage of 105.4 acres of land and the building constructed/to be constructed at Navaratna Agrahara and Nagamangala Villages of Devanahalli Taluk, Bangalore; (b) Corporate guarantee of our Company; and (c) Personal guarantee of Jitendra Virwani.

The following restrictive provision is also applicable in relation to the above inter corporate deposit availed by Nam Estates Private Limited from Housing Development Finance Corporation Limited.

- If, at any time during the subsistence of the inter corporate deposit, the bank is of the opinion that the assets provided as security for the corporate deposit have become inadequate to cover the outstanding amount, then Nam Estates Private Limited shall procure, provide and furnish to the satisfaction of the bank such additional assets as security as may be acceptable to the bank to cover such deficiency; and

- Deposit equivalent to three months interest due on the aforementioned loan should be placed with the bank and the interest on the inter corporate deposit is not paid will be adjusted against the said deposit.

D. SAPHIRE REALTORS PRIVATE LIMITED

Loan availed from ING Vysya Bank

Application form cum lien letter cum DPN for advances against deposit receipt confirmation dated June 22, 2009

(Rs. in million)

Sanctioned amount	Drawdown amount as on May 31,	Outstanding amount as on May 31,	Interest	Purpose of loan/Repayment/Security

	2010	2010		
0.50	0.50	0.52	7.25% per annum payable monthly	• The loan has been availed for meeting working capital requirements of Saphire Realtors Private Limited. • The loan is repayable on June 21, 2010 at the time of maturity of the fixed deposit, unless the deposit term has been renewed. • The loan is secured by charge created against fixed deposit held by our Company.

III. LOANS AVAILED BY OUR ASSOCIATES[3]

A. G.V Properties Private Limited

Term loan availed from Kotak Mahindra Bank Limited

Master facility agreement, sanction letter dated March 20, 2010 and letter dated April 9, 2010

(Rs. in million)

Sanctioned amount	Drawdown amount as on May 31, 2010	Outstanding amount as on May 31, 2010	Interest	Purpose of loan/Repayment/Security
700	Term loan I – Rs. 500 million and Term loan II – Rs. 75 million	Term loan I – Rs. 500.57 million and Term loan II – Rs. 75.49 million, aggregating to Rs. 576.06 million	Interest payable on term loan I is bank's prime lending rate less 5%, currently 10.5% per annum and that payable on term loan II is bank's prime lending rate less 3%, currently 12.5% per annum for the moratorium period of 8 months and bank's prime lending rate less 5% per annum for the balance	• The loan has been availed for takeover of loan of Rs. 480 million availed by G.V Properties from Housing Development Finance Corporation Limited and for other business purpose. • Term loan I is payable in 108 monthly intsalments and term loan II is repayable in 60 equated monthly instalments starting from the month of lease rent commencement (the moratorium period is for a maximum 8 months). • The loan is secured by: (a) Mortgage of G.V Properties Private Limited's share in the properties, 'Embassy Golflinks Business Park' located at Sy.No. 10/2 A1, 10/2B and 10/2A2 and Sy. 13/2 of Chalaghatta Village, Varthur Hobli, Bangalore East Taluk; (b) 4 additional cheques drawn in favour of the bank totalling to Rs. 700 million; and (c) Personal Gurantee of Mr. Jitendra Virwani and Mr. K.J. George.

[3] *MKN Embassy Development Sdn. Bhd has availed a loan of RM 90.0 from Ambank (M) Berhad as on June 2010.*

	period of 60 months. Interest is payable on a monthly basis.	

Note: the total sanctioned amount of Rs. 700 million comprises of term loan I of Rs. 500 million and term loan II of Rs. 200 million.

The following restrictive provisions are also applicable in relation to the above loan availed by G.V. Properties Private Limited from Kotak Mahindra Bank Limited:

- No change should be effected in the shareholding or directorship of G.V. Properties Private Limited without the prior permission of the bank;

- G.V. Properties Private Limited shall not change its name or trade name or it's its accounting standards without the bank's prior consent;

- G.V. Properties Private Limited shall obtain the prior consent of the bank before raising any further loan/availing any facilities against the assets offered as security for facilities of the bank;

- G.V. Properties Private Limited shall not allow any payout by way of salary to directors/partners (other than professional directors) or by way of interest to other subordinated lenders or by way of dividend to shareholders in case of delay or default in repayment of any of the facilities availed by the borrower from the bank or any other bank or financial institution;

- Without the bank's prior written consent, G.V. Properties Private Limited shall not enter into or be a party to any transaction with any of its affiliates except in the ordinary course of business and upon fair and reasonable terms which are fully disclosed to the bank in advance;

- All rentals from lease/rent agreements receivable by G.V. Properties Private Limited by letting out the secured properties should be escrowed in favour of the bank by G.V. Properties Private Limited by way of joint letters of acceptance. Acceptance of joint letters should be obtained from Yahoo Software Development India Private Limited; Goldman Sachs Services Private Limited, Goldman Sachs (India) Securities Private Limited; Right Management India Private Limited; Levition Networks Solutions Private Limited, Golf Links Embassy Business Park Management Services Private Limited and Sterling Commerce Solutions India Private Limited;

- The bank shall at all times during the currency of the facilities be entitled to appoint one nominee on the board of directors of G.V. Properties Private Limited if in its opinion the same is required to ensure that the interests of the bank are adequately protected; and

- K.Y. Gopi Krishnan and Narpat Singh shall be a confirming party to the mortgage created by G.V. Properties Private Limited in favour of the bank.

B. UMBEL PROPERTIES PRIVATE LIMITED

Term loan availed from Housing Development Finance Corporation Limited

Term loan agreement dated February 5, 2008, sanction letter dated February 4, 2008 and letter dated November 2, 2009

(Rs. in million)

Sanctioned amount	Drawdown amount as on May 31, 2010	Outstanding amount as on May 31, 2010	Interest	Purpose of loan/Repayment/Security
1,000	833.24	835.09	Bank's corporate prime lending rate with zero spread, currently 14.75%, payable monthly.	• This loan has been availed for construction of the project, 'Hilton Residence' located at Embassy Golflinks Business Park. • The loan is repayable in 33 months from February 2008. The loan will be repaid in one lump sum or converted to a loan against receivables from operations on or before November 2010 or on commencement of operation of the service apartment, whichever is earlier. • The loan is secured by: (a) Mortgage of the project, 'Hilton Residence' and the property in respect of the project located at Embassy Golflinks Business Park (land and building thereon); (b) Extension of mortgage on the composite property bearing land and building thereon and the project 'Embassy Golflinks Business Park" situated at Challaghatta Village, Varthur Hobli, Bangalore East Taluk, Bangalore; (c) Personal guarantees of Jitendra Virwani, S. N. Ladhani and Prakash Ladhani; and (d) Post dated cheque towards repayment of the loan.

Note: The loan of Rs. 75 million which was availed by Umbel Properties Private Limited from Housing Development Finance Corporation Limited vide the loan agreement dated November 14, 2008 has been merged with the aforesaid loan amount of Rs. 1,000 million in accordance with the terms of the loan agreement dated November 14, 2008 .

The following restrictive provisions are also applicable in relation to the above loan availed by Umbel Properties Private Limited from Housing Development Finance Corporation Limited:

- Umbel Properties Private Limited shall not let or otherwise howsoever part with the possession of the property or any part thereof without the prior permission of the bank in writing;

- Umbel Properties Private Limited shall not sell, mortgage, lease, surrender or otherwise howsoever alienate the property or any part thereof without prior permission of the bank in writing;

- Unless the bank shall otherwise agree, Umbel Properties Private Limited shall not:

  (i) enter into any agreement or arrangement with any person, institution, local or government body for the use, occupation or disposal of the property or any part thereof during the pendency of the loan;

(ii) undertake or permit any merger, consolidation, re-organization and scheme of arrangement or compromise with its creditors and/or shareholders;

(iii) change its equity or ownership structure substantially so as to cause the change in its management control; and

(iv) declare or pay dividend or distribute profit to any of its shareholders or partners during any financial year unless it has paid all the dues of the bank up to the date on which the said payment is proposed to be made.

- Umbel Properties Private Limited shall not without taking prior written permission of the bank, raise any loans from any other source for any purpose till all the dues of the bank have been paid.

C. MANYATA PROMOTERS PRIVATE LIMITED

1. Term loan availed from Housing Development Finance Corporation Limited

Facility agreement dated December 30, 2009 and Sanction letter dated December 29, 2009

(Rs. in million)

Sanctioned amount	Drawdown amount as on May 31, 2010	Outstanding amount as on May 31, 2010	Interest	Purpose of loan/Repayment/Security
8,500	8,085.42	7,997.45	Interest payable on Tranche I is 13.25% per annum linked to bank's corporate lending rate, currently 12.5% per annum and that on Tranche II and III is 13.5% per annum until the commencement of rent receivables. Further as and when rent receivables are commenced, the interest payable on Tranche II and II is 12.5% per annum linked to bank's corporate prime lending rate to be reset on 1st of every calendar quarter. The	• This loan has been availed for financing the project, 'Manyata Embassy Business Park'. • The loan has been availed in three tranches and the repayment terms of each tranche is as follows: (a) Tranche I of Rs. 3,957.4 million is repayable in 108 months from the date of first disbursement or commencement of rentals whichever is earlier or at Housing Development Finance Corporation Limited's option; (b) Tranche II of Rs. 3,411.6 million is repayable in 120 months from the date of first disbursement or commencement of rentals whichever is earlier or at Housing Development Finance Corporation Limited's option; and (c) Tranche III of Rs. 1,131 million is repayable in 120 months from the date of first disbursement or commencement of rentals whichever is earlier or at Housing Development Finance Corporation Limited's option. • The loan is secured by:

	interest is payable monthly.	(a)	Extension of mortgage of blocks C1, C4, D2, D4, E1, E2, F2 and L5 of 'Manyata Embassy Business Park' constructed on the composite property bearing several Sy.Nos., situated at Rachenahalli Village, Kasaba Hobli, Bangalore North Taluk, Bangalore and Nagawara Village, KR Puram Hobli, Bangalore North Taluk, Bangalore, admeasuring 67.23 acres and the building constructed or to be constructed thereon;
		(b)	Demand promissory note for the loan amount;
		(c)	Personal guarantee of Jitendra Virwani and Reddy Veeranna;
		(d)	Hypothecation/assignment of rent receivables from all the lessees of the blocks tied up for the project financed; and
		(e)	Undertaking to pay the bank the outstanding loan amount in case of breach/cancellation of the lease agreements.

The following restrictive provisions are also applicable in relation to the above loan availed by Manyata Promoters Private Limited from Housing Development Finance Corporation Limited:

- Manyata Promoters Private Limited shall not without prior written approval of the bank:

  (i) contract, create, incur, assume or suffer to exist any indebtedness in any manner whatsoever except as otherwise permitted under this agreement;

  (ii) undertake or permit any merger, demerger, consolidation, reorganization, scheme of arrangement or compromise with its creditors, shareholders or effect any scheme of amalgamation or reconstruction including creation of any subsidiary or permit any company to be its subsidiary;

  (iii) declare or pay any dividend or authorize or make any distributions to its shareholders or permit withdrawal of money brought in (i) unless it has paid all the dues in respect of the facilities upto the date on which the dividend is proposed to be declared or paid/ such distribution is to be made or has made provisions satisfactory to the bank or (ii) if an event of default has occurred and is subsisting or would occur as a result of such declaration or payment of dividend;

  (iv) prepay any indebtedness incurred by it from any entity and/or person other than the bank;

  (v) pay any commission to its promoters, directors, mangers or other persons for furnishing guarantees, counter guarantees or indemnities or for undertaking any other liability in connection with any other obligation undertaken for or by Manyata Promoters Private Limited;

(vi) undertake any new project, diversification, modernization which are material in nature or substantial expansion of any of its projects;

(vii) make investments whether by way of deposits, financial facilities or investments in share capital or otherwise in any concern or provide any credit or give any guarantee, indemnity or similar assurance except as otherwise permitted under the agreement;

(viii) recognize or register any transfer of shares in Manyata Promoters Private Limited's capital made or to be made by the promoters and their associates except as may be permitted by the bank;

(ix) amend or modify its constitutional documents;

(x) buy back, cancel, retire, reduce, redeem, repurchase, purchase or otherwise acquire any of its share capital now or hereafter outstanding or set aside any funds for the foregoing purposes, or issue any further share capital whether on a preferential basis or otherwise or change its capital structure in any manner whatsoever; and

(xi) engage in any business activity other than those which Manyata Promoters Private Limited is currently engaged in, either alone or in partnership or joint venture with any other person nor acquire any ownership interest in any other entity or person or enter into any profit sharing or royalty agreement or similar arrangement whereby Manyata Promoters Private Limited's income or profits are or might be shared with any other entity or person or enter into any management contract or similar arrangement whereby its business or operations are managed by any other person.

- The bank has the right to appoint and remove from time to time directors on the board of directors of Manyata Promoters Private Limited. The appointment or removal of the Nominee Director(s), shall be by a notice in writing by the bank addressed to Manyata Promoters Private Limited and shall take effect forthwith upon such a notice being delivered to Manyata Promoters Private Limited.

2. Term loan availed from Axis Bank Limited

Agreement dated March 20, 2010 and Sanction letter dated March 10, 2010

(Rs. in million)

Sanctioned amount	Drawdown amount as on May 31, 2010	Outstanding amount as on May 31, 2010	Interest	Purpose of loan/Repayment/Security
240	240	234.66	Bank's prime lending rate minus 4.5%, currently 10.25% per annum, payable monthly.	• This loan has been availed for business purposes of Manyata Promoters Private Limited. • This loan is repayable in 72 equated monthly instalments of Rs. 44,76,600 commencing from April 20, 2010. • The loan is secured by: (a) Hypothecation of future rent receivables from property located in Phase I and II

				A, MFAR Manyata Tech Park in Manayata Embassy Business Park situated at Nagawara and Rachennahalli Village; Bangalore leased to Philips Electronics India Limited; (b) Mortgage of the entire first phase building admeasuring 144,736 sq.ft and ground, first and third floor of the second phase admeasuring 48,555 sq.ft with a super built up area of 193,291 sq.ft with an undivided share of land admeasuring 3 acres 34 guntas; and (c) Personal guarantee of Jitendra Virwani and Reddy Veeranna.

Note: Loan service reserve of Rs. 4,476,600 in the form of fixed deposit to be created before disbursement.

The following restrictive provision is also applicable in relation to the above loan availed by Manyata Promoters Private Limited from Axis Bank Limited:

- Manyata Promoters Private Limited should not assign the lease rentals to anybody during the currency of the loan.
- Manyata Promoters Private Limited should not sell, mortgage, lease, surrender or alienate the mortgaged property or any part thereof.

3. Term loan availed from Indian Overseas Bank

Sanction letter dated April 23, 2009, Memorandum of deposit of title deed dated May 7, 2009 and Letter of hypothecation dated April 29, 2009

(Rs. in million)

Sanctioned amount	Drawdown amount as on May 31, 2010	Outstanding amount as on May 31, 2010	Interest	Purpose of loan/Repayment/Security
2,000	2,000	1,879.67	Bank's prime lending rate minus 1% with a minimum of 11.5% per annum. To be reset after 4 years. Interest payable will be as per the agreed terms or as and when demanded	• This loan has been availed for repayment of the loan availed by Manyata Promoters Private Limited from Housing Development Finance Corporation Limited and also for financing certain blocks of the project, 'Manyata Embassy Business Park'. • This loan is repayable in 108 equal monthly instalments of Rs. 29.8 million commencing from the month succeeding the month of disbursement. • The loan is secured by: (a) Assignment of rent receivables from IBM India Private Limited occupying the block, 'Rose Wood' (block K) and ANZ Support Services India Private Limited occupying the block 'Eucalyptus' (block H1) of 'Manyata Embassy

			by the bank.	Business Park', Bangalore; (b) Exclusive first charge on the land and buildings, 'Eucalyptus' and 'Rosewood' at 'Manyata Embassy Business Park" situated at Nagawara Village, Kasaba Hobli, Bangalore having a super built area of 376,758 sq.ft and 218,215 sq.ft respectively; and (c) Personal guarantees of Jitendra Virwani and Reddy Veeranna.

The following restrictive provision is also applicable in relation to the above loan availed by Manyata Promoters Private Limited from Indian Overseas Bank:

- Manyata Promoters Private Limited should not undertake any new project nor should they make any investment without the prior approval of the bank.

4. Loan availed from IDBI Bank Limited

Loan agreement dated September 29, 2009, Sanction letter dated May 25, 2009, Sanction letter dated September 22, 2009 and hypothecation deed dated September 25, 2009

(Rs. in million)

Sanctioned amount	Drawdown amount as on May 31, 2010	Outstanding amount as on May 31, 2010	Interest	Purpose of loan/Repayment/Security
1,310	1,310	1,283.69	LRD: Bank's prime lending rate minus 100 bps subject to a floor of 11% and cap of 13% per annum, currently 11.75% per annum; and STL: Bank's prime lending rate, currently12.75% per annum. The interest is payable on LRD and STL on a monthly basis.	• This loan has been availed for liquidating the then existing loan from Housing Development Finance Corporation Limited and part finance construction of blocks of Manyata Embassy Business Center. • LRD is repayable in 96 months including moratorium of 4 months from the date of first disbursement and the STL is repayable in 6 months after moratorium of 12 months from the date of first disbursement. • LRD is secured by: (a) Assignment/hypothecation of rent receivable from Target Corporation India Private Limited and Cerner Healthcare Solution Private Limited; (b) Exclusive charge by way of equitable mortgage of block C2 of 'Manyata Embassy Business Park' situated at Nagawara Village, Kasaba Hobli, Bangalore occupied by Target Corporation India Private Limited and Cerner Healthcare Solution Private Limited, with total land area of

		approximately 3.68 acres with 5 Lakh sq.ft of built up area; and (c) Guarantee of Jitendra Virwani and Reddy Veeranna. • STL is secured by: (a) Assignment of future rent receivables from hard option area (i.e. the area which the lessee has the option to take on lease at a future date and in respect of which an advance amount has been paid) of 63,343 sq.ft of block C2 of 'Manyata Embassy Business Park'; (b) Extension of assignment/hypothecation of rent receivable from Target Corporation India Private Limited and Cerner Healthcare Solution Private Limited; (c) Extension of exclusive charge by way of equitable mortgage of block C2 of 'Manyata Embassy Business Park' situated at Nagawara Village, Kasaba Hobli, Bangalore occupied by Target Corporation India Private Limited and Cerner Healthcare Solution Private Limited, with total land area of approximately 3.68 acres with 5 Lakh sq.ft of built up area; and (d) Guarantee of Jitendra Virwani and Reddy Veeranna

*Note: Total sanctioned amount of Rs. 1,310 comprises of lease rental discount facility ("**LRD**") of Rs. 1,150 million and short term loan ("**STL**") of Rs. 160 million.*

The following restrictive provisions are also applicable in relation to the above loan availed by Manyata Promoters Private Limited from IDBI Bank Limited:

- Manyata Promoters Private Limited shall not without prior written approval of the bank:

  (i) Undertake any new project or substantial expansion of the project;

  (ii) issue any debentures, raise any loans, accept deposits from public, issue equity or preference capital, change its capital structure or create any charge on its assets or give any guarantees;

  (iii) prepay any loan taken from any other party for the project;

  (iv) create any subsidiary or permit any company to be its subsidiary

  (v) undertake or permit any merger, consolidation, re-organisation, scheme of arrangement or compromise with its creditors or shareholders or effect any scheme of amalgamation or reconstruction;

  (vi) declare or pay dividend to its shareholders so long as it is in default to the bank under this agreement;

(vii) make any investments by way of deposits, loans or in share capital of any other concerns (including subsidiaries) beyond the projected and accepted level by the bank so long as the money remains due to the bank; and

(viii) revalue its assets at any time during the currency of the loan;

- Manyata Promoters Private Limited shall as and when required by the bank, appoint and change to the satisfaction of the bank, the managing director, whole time director, suitable technical, financial and executive staff of proper qualifications for key posts. The terms of such appointments shall be subject to prior approval of the bank.

5. Term loan availed from Barclays Bank PLC

Term loan agreement dated October 30, 2009, sanction letter dated October 29, 2009 and memorandum of entry dated November 5, 2009

(Rs. in million)

Sanctioned amount	Drawdown amount as on May 31, 2010	Outstanding amount as on May 31, 2010	Interest	Purpose of loan/Repayment/Security
1,100	997.50	1,007.38	The interest payable has been benchmarked to the bank's prime lending rate and shall be determined by mutual agreement at the time of each drawdown, currently 13.25% per annum;.	• This loan has been availed partly for the purpose of reimbursement of expenditure already incurred by Manyata Promoters Private Limited and partly for funding the fit out premises owned by Manyata Promoters Private Limited at block G1 in 'Manyata Embassy Business Park'. • The loan is repayable in 76 monthly instalments commencing from June 2010. • The loan is secured by: (a) First ranking mortgage of land and building in block G1 of parcel G in 'Manyata Embassy Business Park' having an aggregate super built up area of 403,526 sq.ft spread over ground floor to the 8th floor, situated at Nagawara Village, North Bangalore Taluk, Bangalore; (b) First ranking mortgage of undivided share of land admeasuring approximately 5 acres in the G parcel in 'Manyata Embassy Business Park'; (c) Assignment of lease rental receivables from IBM India Private Limited pertaining to block G1 of parcel G in 'Manyata Embassy Business Park'; (d) First charge over the entire lease rental receivables from IBM India Private Limited in respect of block G1 of parcel G in 'Manyata Embassy Business Park'; (e) Personal guarantees of Jitendra Virwani and Reddy Veeranna; and

	(f) Fixed deposit equal to the amount of first month's interest dues shall be placed with the bank and a lien on the fixed deposit together with interest should be marked in favour of the bank.

The following restrictive provisions are also applicable in relation to the above loan availed by Manyata Promoters Private Limited from Barclays Bank PLC:

- In the event, the rental inflows from IBM India Private Limited into the escrow account does not begin by March 2010, Manyata Promoters Private Limited shall pay the monthly instalments till the time IBM India Private Limited starts escrowing the rentals into the escrow account;

- The loan shall not be used for land acquisition and capital market purposes.

- Manyata Promoters Private Limited shall not without the prior written permission of the bank:

  (i) create or agree to create or permit or subsist (other than in favour of the bank) any security interests except security interest in existence at the date of this offer;

  (ii) sell, transfer or otherwise dispose of the whole or any substantial part of its undertaking, property, assets or revenues;

  (iii) give any guarantee, bond or indemnity or make available any new loan or financial accommodation to any person or increase the amount or extend the duration or otherwise alter in any material respect, the terms of any existing loans or financial loans or financial accommodation;

  (iv) make any material change in the scope or nature of its business;

  (v) declare or pay dividend or make any distribution if Manyata Promoters Private Limited defaults in repayment of the amounts due; and

  (a) permit any change in the constitution, shareholding pattern of the promoters, shareholders or in its management.

- Manyata Promoters Private Limited shall inform the bank of any acquisition or formation of any new subsidiary or of any non trading subsidiary commencing to trade.

Vehicle loan availed from ICICI Bank Limited

Credit facility application form dated September 29, 2007

(Rs. in million)

Sanctioned amount	Drawdown amount as on May 31, 2010	Outstanding amount as on May 31, 2010	Interest	Purpose of loan/Repayment/Security
12	12	1.5	10.58% per annum payable monthly	• This loan has been availed for purchasing a car. • The loan is repayable in 36 monthly

				instalments of Rs. 3,87,120. • This loan is secured by hypothecation of the vehicle which has been financed.

D. DSRK Holdings Private Limited

Term loan availed from Housing Development Finance Corporation Limited

Supplementary loan Agreement dated September 20, 2006, sanction letter dated September 19, 2006, Term loan agreement dated March 20, 2006 and sanction letter dated March 17, 2006

(Rs. in million)

Sanctioned amount	Drawdown amount as on May 31, 2010	Outstanding amount as on May 31, 2010	Interest	Purpose of loan/Repayment/Security
2,800	2,800	2,477.46	Bank's prime lending rate with negative spread 25 bps, currently 12.5% per annum, payable monthly.	• This loan has been availed for construction of certain blocks of the project, 'Manyata Embassy Business Park'. • The loan is repayable in 108 monthly instalments commencing from September 1, 2006. • The loan is secured by: (a) Extension of mortgage on property bearing various Sy.Nos situated at Nagawara Village, Bangalore totally admeasuring 106.96 acres together with construction and interiors built thereon; (b) Hypothecation of rent receivable by DSRK Holdings Private Limited or Manyata Promoters Private Limited from Fidelity Business Services India Private Limited, IBM Global Services India Private Limited and IBM Daksh Business Process Services Private Limited; (c) Deposit of original lease agreements and lease deeds entered; and (d) Personal guarantee of Jitendra Virwani.

***Note**: The inter-corporate deposit of Rs. 200 million availed by DSRK Holdings Private Limited from Housing Development Finance Corporation Limited vide Sanction letter dated June 2, 2006 has been restructured under the aforesaid loan facility.*

The following restrictive provisions are also applicable in relation to the above loan availed by DSRK Holdings Private Limited from Housing Development Finance Corporation Limited:

- Unless the bank shall otherwise agree, DSRK Holdings Private Limited shall not:

  (i) let out or otherwise howsoever part with the possession of the property or any part thereof;

(ii) create or permit any charge or lien on the property or security or the receivables;

(iii) sell, mortgage, surrender, encumber in any manner whatsoever or otherwise howsoever alienate the property, security or receivables or any part thereof; and

(iv) enter into any agreement or arrangement with any person, institution or government or body for the use, occupation or disposal of the property or security or any part thereof during the pendency of the loan;

- Any substantial change in the constitution or management of Manyata Promoters Private Limited without the previous consent of the bank shall be deemed as an event of default.

E. GOLF LINKS SOFTWARE PARK PRIVATE LIMITED

1. Loan availed from Housing Development Finance Corporation Limited

(i) Master facility agreement dated June 30, 2009 and sanction letter dated August 27, 2009

(Rs. in million)

Sanctioned amount	Drawdown amount as on May 31, 2010	Outstanding amount as on May 31, 2010	Interest	Purpose of loan/Repayment/Security
5,279.8	5,177.85	4,940.13	Bank's prime lending rate, currently 12.50% per annum, payable monthly	• This loan has been availed for financing the construction of project, 'Embassy Golflinks Business Park'. • The loan is repayable in 108 monthly instalments commencing from the date of first disbursement. • The loan is secured by: (a) First mortgage on the property bearing various Sy. Nos. situated in Challaghatta Village and the building constructed thereon and the project 'Embassy Golflinks Business Park' developed thereon and owned by Golf Links Software Park Private Limited; (b) Extension of mortgage on property bearing various Sy. Nos. situated at Agrahara Village, Whitefield, Bangalore admeasuring 15.50 acres and building constructed or to be constructed thereon and owned by Golf Links Software Park Private Limited; (c) Personal guarantee of Jitendra Virwani; (d) Hypothecation or assignment of rent receivables from all the lessees tied for the facilities or blocks in the project financed; and

	(e) Demand promissory note for the amount of the financial facility.

The following restrictive provisions are also applicable in relation to the above loan availed by Golf Links Software Park Private Limited from Housing Development Finance Corporation Limited:

- Without the prior written approval of the bank, Golf Links Software Park Private Limited shall not:

  (i) contract, create, incur, assume or suffer to exist any indebtedness in any manner whatsoever;

  (ii) undertake or permit any merger, demerger, reorganization scheme of arrangement with its creditors or shareholders or effect any scheme of amalgamation including creation of any subsidiary or permit any company to become its subsidiary;

  (iii) create or permit to subsist any encumbrance (excluding for securing borrowings for working capital requirements) or any type of preferential arrangement (including retention arrangements or escrow arrangements having the effect of granting security) in any form whatsoever on any of its assets or sell, transfer, grant lease or otherwise dispose off or deal with any of the assets;

  (iv) declare or pay any dividend or authorize or make any distribution to its shareholders unless it has paid all the dues upto the date on which the dividend is proposed to be declared or aid or such distribution is to be made or has made provisions therefore satisfactory to the bank;

  (v) prepay any indebtedness from any other lender;

  (vi) undertake new projects, diversification, modernisation which are material in nature or substantial expansion of any of its projects;

  (vii) make any investments whether by way of deposits, financial facilities or investments in share capital or otherwise, in any concern or provide any credit or give any guarantee, indemnity or similar assurance except as permitted;

  (viii) recognize or register any transfer of shares in Golf Links Software Park Private Limited's capital made or to be made by the promoters and their associate except as may be permitted by the bank;

  (ix) amend or modify its constitutional documents;

  (x) buy back, cancel, retire, reduce, redeem, re-purchase, purchase or otherwise acquire any of its share capital now or hereafter outstanding or set aside any funds for the foregoing purposes or issue any further share capital whether on a preferential basis or otherwise or change its capital structure in any manner whatsoever and

  (xi) engage in any business or activities other than those which Golf Links Software Park Private Limited is currently engaged in either alone or in partnership or joint venture with any other person nor acquire any ownership interest in any other entity or person or enter into any profit sharing or royalty agreement or similar arrangement whereby Golf Links Software Park Private Limited's income or profits are or might be shared with any other entity or person or enter

into any management contract or similar arrangement whereby its business or operations are managed by any other person.

- The bank has the right to appoint and remove from time to time, directors on the board of directors of Golf Links Software Park Private Limited.

- Golf Links Software Park Private Limited shall not alter, change or modify the terms of the agreement entered into with any person with regard to usage of the rental premises being property bearing several Sy. Nos. situated at Chalaghatta Village, Varthur Hobli, Bangalore and the building constructed thereon and the project financed, 'Embassy Golfinks Business Park'.

(ii) Master facility agreement dated August 28, 2009 and sanction letter dated August 27, 2009

(Rs. in million)

Sanctioned amount	Drawdown amount as on May 31, 2010	Outstanding amount as on May 31, 2010	Interest	Purpose of loan/Repayment/Security
1,300	1,300	1,267.82	Bank's prime lending rate, currently 12.50% per annum, payable monthly .	• The loan has been availed for financing construction of 'Embassy Golflinks Business Park'. • The loan is repayable in 108 monthly instalments commencing from the date of the first disbursement. • The loan is secured by: (a) Extension of mortgage on the property bearing various Sy. Nos. situated in Challaghatta Village and the building constructed thereon and the project, 'Embassy Golflinks Business Park' developed thereon and owned by Golf Links Software Park Private Limited; (b) Extension of mortgage on property bearing various Sy. Nos. situated at Agrahara village, Whitefield, Bangalore admeasuring 15.50 acres and the building constructed or to be constructed thereon and owned by Golf Links Software Park Private Limited; (c) Personal guarantee of Jitendra Virwani and K.J. George; (d) Hypothecation or assignment of rent receivables from all the lessees for the facilities or blocks in the project financed; and (e) Demand promissory note for the amount of the financial facility.

The following restrictive provisions are also applicable in relation to the above loan availed by Golf Links Software Park Private Limited from Housing Development Finance Corporation Limited:

- Without the prior written approval of the bank, Golf Links Software Park Private Limited cannot:

  (i) contract, create, incur, assume or suffer to exist any indebtedness in any manner whatsoever;

  (ii) undertake or permit any merger, demerger, reorganization scheme of arrangement with its creditors or shareholders or effect any scheme of amalgamation including creation of any subsidiary or permit any company to become its subsidiary;

  (iii) create or permit to subsist any encumbrance (excluding for securing borrowings for working capital requirements) or any type of preferential arrangement (including retention arrangements or escrow arrangements having the effect of granting security) in any form whatsoever on any of its assets or sell, transfer, grant lease or otherwise dispose off or deal with any of the assets;

  (iv) declare or pay any dividend or authorize or make any distribution to its shareholders unless it has paid all the dues upto the date on which the dividend is proposed to be declared or aid or such distribution is to be made or has made provisions therefore satisfactory to the bank;

  (v) prepay any indebtedness from any other lender;

  (vi) undertake new projects, diversification, modernisation which are material in nature or substantial expansion of any of its projects;

  (vii) make any investments whether by way of deposits, financial facilities or investments in share capital or otherwise, in any concern or provide any credit or give any guarantee, indemnity or similar assurance except as permitted;

  (viii) recognize or register any transfer of shares in Golf Links Software Park Private Limited's capital made or to be made by the promoters and their associate except as may be permitted by the bank;

  (ix) amend or modify its constitutional documents;

  (x) buy back, cancel, retire, reduce, redeem, re-purchase, purchase or otherwise acquire any of its share capital now or hereafter outstanding or set aside any funds for the foregoing purposes or issue any further share capital whether on a preferential basis or otherwise or change its capital structure in any manner whatsoever; and

  (xi) engage in any business or activities other than those which Golf Links Software Park Private Limited is currently engaged in either alone or in partnership or joint venture with any other person nor acquire any ownership interest in any other entity or person or enter into any profit sharing or royalty agreement or similar arrangement whereby Golf Links Software Park Private Limited's income or profits are or might be shared with any other entity or person or enter into any management contract or similar arrangement whereby its business or operations are managed by any other person.

- The bank has the right to appoint and remove from time to time, directors on the board of directors of Golf Links Software Park Private Limited.

- Golf Links Software Park Private Limited shall not alter, change or modify the terms of the agreement entered into with any person with regard to usage of the rental premises being property bearing several Sy.Nos. situated at Chalaghatta Village, Varthur Hobli, Bangalore and the building constructed thereon and the project financed, 'Embassy Golflinks Business Park'.

(iii) Overdraft agreement cum guarantee for facility against fixed deposit dated September 2, 2008

Sanctioned amount	Drawdown amount as on May 31, 2010	Outstanding amount as on May 31, 2010	Interest	Purpose of loan/Repayment/Security
7.50	7.50	Nil	9.75% per annum payable with monthly/quarterly rests.	• The loan has been availed for meeting working capital requirements of Golf Links Software Park Private. • The loan is repayable on demand. • The loan is secured by charge created against fixed deposit held by Golf Links Software Park Private.

2. Loans availed from Indiabulls Financial Services Limited

(i) Loan agreement dated March 31, 2010, Sanction letter dated March 30, 2010 and Letter dated May 20, 2010.

(Rs. in million)

Sanctioned amount	Drawdown amount as on May 31, 2010	Outstanding amount as on May 31, 2010	Interest	Purpose of loan/Repayment/Security
2,350	2,350	2,350	10.50% per annum, payable monthly	• This loan has been availed for taking over the loans availed from UCO Bank and Andhra Bank and for meeting working capital requirements of Golf Links Software Park Private Limited. • The loan is repayable in 120 monthly instalments commencing from May 2010. • The loan is secured by: (a) Registered equitable mortgage of all parcels of land at Sy.Nos. 2/1, 2/2, 2/3, 5/1, 4, 2/4 at Challaghata Village, Varthur Hobli, Bangalore East Taluk together with three buildings namely, 'Blue Bay', 'Pine Valley', 'Fountain Head' totally aggregating to 818,514 sq.ft super built up area with

				1,172 car park together with structures, furnitures, fixtures fittings and/or plant and machinery; (b) Personal guarantee of Jitendra Virwani and K. J. George; and (c) Demand promissory note for the loan amount.

The following restrictive provisions are also applicable in relation to the above loan availed by Golf Links Software Park Private Limited from Indiabulls Financial Services Limited:

- Security created in respect of the loan shall have exclusive first ranking priority and is not subject to any prior ranking or pari passu ranking security.
- Golf Links Software Park Private Limited shall not without the prior written consent of the lender:
  - (i) create or permit to subsist any security over any of its assets;
  - (ii) enter into an amalgamation, demerger, merger or corporate reconstruction;
  - (iii) enter into, undertake or participate in any share or equity or subordinated debt buy back, cancellation or redemption programme; and
  - (iv) issue or grant any person the right to call for the issue or allotment of any shares in the borrower or in associates or affiliates.
- Golf Links Software Park Private Limited shall not make any investments or take any loans, grant any credit or give any guarantee or indemnity.

(ii) Loan agreement dated March 31, 2010, Sanction letter dated March 30, 2010 and Letter dated May 20, 2010.

(Rs. in million)

Sanctioned amount	Drawdown amount as on May 31, 2010	Outstanding amount as on May 31, 2010	Interest	Purpose of loan/Repayment/Security
550	550	550	15% per annum payable monthly	• This loan has been availed for meeting working capital requirements of Golf Links Software Park Private Limited. • The loan is repayable in 60 monthly instalments commencing from May 2010. • The loan is secured by: (a) Extension on registered mortgage created on all parcels of land at Sy.Nos. 2/1, 2/2, 2/3, 5/1, 4, 2/4 at Challaghata Village, Varthur Hobli, Bangalore East Taluk together with three buildings

				namely, 'Blue Bay', 'Pine Valley', 'Fountain Head' totally aggregating to 818,514 sq.ft super built up area with 1,172 car park together with structures, furnitures, fixtures fittings and/or plant and machinery; (b) Personal guarantee of Jitendra Virwani and K. J. George; and (c) Demand promissory note for the loan amount.

The following restrictive provisions are also applicable in relation to the above loan availed by Golf Links Software Park Private Limited from Indiabulls Financial Services Limited:

- Security created in respect of the loan shall have exclusive first ranking priority and is not subject to any prior ranking or pari passu ranking security.

- Golf Links Software Park Private Limited shall not without the prior written consent of the lender:

  (i) create or permit to subsist any security over any of its assets;

  (ii) enter into an amalgamation, demerger, merger or corporate reconstruction;

  (iii) enter into, undertake or participate in any share or equity or subordinated debt buy back, cancellation or redemption programme; and

  (iv) issue or grant any person the right to call for the issue or allotment of any shares in the borrower or in associates or affiliates.

- Golf Links Software Park Private Limited shall not make any investments or take any loans, grant any credit or give any guarantee or indemnity.

3. Loan availed from ING Vysya Bank

Application Form cum Lien Letter cum DPN for Advances against Deposit Confirmation dated July 31, 2008

(Rs. in million)

Sanctioned amount	Drawdown amount as on May 31, 2010	Outstanding amount as on May 31, 2010	Interest	Purpose of loan/Repayment/Security
7.2	7.2	8.54	11% per annum payable monthly	• The loan has been availed for meeting working capital requirements of Golf Links Software Parks Private Limited. • The loan is repayable on maturity of the fixed deposit on 31 July 2010, unless the deposit terms have been renewed. • The loan is secured by charge created against fixed deposit held by Golf Links Software Parks Private Limited.

F. DM ESTATES PRIVATE LIMITED

Loan availed from ICICI Bank Limited

Three Credit Facility Application Forms dated September 13, 2007

(Rs. in million)

Sanctioned amount	Drawdown amount as on May 31, 2010	Outstanding amount as on May 31, 2010	Interest	Purpose of loan/Repayment/Security
6.66	6.66	0.95	The interest payable is as follows: (i) Vehicle loan I – 16.53% per annum; (ii) Vehicle loan II – 16.50% per annum; and (iii) Vehicle loan III – 16.54% per annum, payable monthly.	• This loan has been availed for purchasing three cars. • The loan is repayable in the following manner: (a) Vehicle loan I is payable in 36 monthly instalments of Rs. 42,030 commencing from October 10, 2007; (b) Vehicle loan II is payable in 36 monthly instalments of Rs. 1,87,265 commencing from October 10, 2007; and (c) Vehicle loan III is payable in 36 monthly instalments of Rs. 8,100 commencing from October 10, 2007. • This loan is secured by hypothecation of the vehicles which have been financed.

Note: The aggregate loan amount of Rs. 6.66 million is comprised of (i) vehicle loan I – Rs. 1.18 million; (ii) vehicle loan II – Rs. 5.25 million; and (iii) vehicle loan III– Rs. 0.227 million.

GUARANTEES BY THE COMPANY[4]

Set forth below is a brief summary of the corporate guarantees executed by our Company aggregating Rs. 7,368.90 million as on May 31, 2010.

(Rs. in million)

Name of lender	Date	Name of the borrower	Guarantee amount
Punjab National Bank	August 5, 2009	Pune Dynasty Projects Private Limited	685
State Bank of India	March 13, 2009	Pune Embassy Projects Private Limited	3,217[5]
Punjab National Bank	June 2009	Pune Embassy Projects Private Limited	705

[4] *Company has also executed a corporate guarantee on June 22, 2010 in favour of Indiabulls Financial Services Limited for the loan of Rs. 2,000 million availed by Pune Embassy Projects Private Limited and Swire Investments Private Limited.*

[5] *As per sanction letter dated March 4, 2009 issued by State Bank of India, the outstanding amount of Rs. 3,204.30 million was treated as the sanctioned amount(instead of the originally sanctioned amount of Rs. 3217 million).*

Name of lender	Date	Name of the borrower	Guarantee amount
Housing Development Finance Corporation Limited	March 31, 2010	Nam Estates Private Limited	1,250
Housing Development Finance Corporation Limited	September 10, 2009	Jitendra Virwani	27.9
Barclays Bank PLC	October 30, 2009	Magrath Properties Private Limited	730
Punjab National Bank	May 20, 2009	B.L.Kashyap and Sons Limited	750
Orix Auto Infrastructure Services Limited	July 28, 2009	Stonehill Education Foundation	4
TOTAL			**7,368.90**

UNSECURED BORROWINGS

As on May 31, 2010, the outstanding unsecured borrowings of our Company as per the unaudited consolidated financial statements is Rs 1,907.96.

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SECTION VI – LEGAL AND OTHER INFORMATION

OUTSTANDING LITIGATION AND MATERIAL DEVELOPMENTS

Except as stated below there are no outstanding litigation, suits, criminal or civil prosecutions, proceedings or tax liabilities against our Company, our Directors, our Promoters, Group Entities, our Subsidiaries and there are no defaults, non- payment of statutory dues, overdues to banks/financial institutions/small scale undertaking(s), defaults against banks/financial institutions/small scale undertaking(s), defaults in dues payable to holders of any debentures, bonds or fixed deposits or arrears on preference shares issued by our Company, our Directors, our Promoters, Group Entities, our Subsidiaries, 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 our Company, our Directors, our Promoters, Group Entities, our Subsidiaries and no disciplinary action has been taken by SEBI or any stock exchanges against Company, our Directors, our Promoters, Group Entities, our Subsidiaries that would result in a material adverse effect on our consolidated business taken as a whole.

Further, except as disclosed hereunder Company, our Directors, our Promoters, Group Entities, our Subsidiaries have not been declared as wilful defaulters by the RBI or any government authority and there have been no violations of securities laws in the past or pending against them.

For details of contingent liabilities of our Company and our Subsidiaries, please refer to the financial statements of our Company and our Subsidiaries on pages 412 and 334.

Cases filed against our Company

Civil litigation

(i) A civil suit bearing O.S. No. 7806/2007 has been filed by Muniyellappa and others against Kamal Industries and others before the Court of the City Civil Judge, Bangalore with respect to a property bearing Sy. No. 6/3 situated at Thubarahalli Village, Varthur Hobli, Bangalore South Taluk, Bangalore District. Our Company is the second defendant in this suit. The defendants had entered into a joint development agreement for developing a commercial complex on the suit property. The contention of the plaintiffs is that the suit property is a joint family property which was granted by the state government for an upset price and with a prohibition against alienation to third persons and further that the suit property was sold to the first defendant without the knowledge of the plaintiffs and that the sellers who sold it to the first defendant had right, title or interest in the suit property. The plaintiffs have prayed for permanent injunction against the defendants from proceeding with the joint development activities on the suit property until the partition of the suit property. Our Company in its written statement has stated that the suit is barred by limitation and that the defendants are the true owners of the suit property. An interim order was passed by the Additional City Civil Judge, Bangalore on April 2, 2008. Accordingly, the interim application filed by the plaintiff seeking *ex- parte* order for temporary injunction restraining the defendants from putting up any construction over the suit property was dismissed. Aggrieved by the said order, the plaintiffs had filed an appeal before the High Court of Karnataka, Bangalore contending that the said order passed by the Additional City Civil Judge is illegal and unsustainable. The same has been disposed off on March 18, 2010 confirming the injunction with an observation. The matter is currently pending.

Tax litigation

(i) The Deputy Commissioner of Income Tax, Circle 11(1), Bangalore has *vide* assessment order dated December 30, 2009 raised a demand of Rs. 34,898,072 against our Company. Aggrieved by the said assessment order, our Company has filed an appeal before the CIT (Appeals). Our

Company has contended that the demand of Rs. 34,898,072 is arising from certain amounts in relation to stock in trade which is deductible and that the demand is excessive and unreasonable. Our Company has prayed for the setting aside of the assessment order. The matter is currently pending.

(ii) The Assistant Commissioner of Income Tax, Circle 11(1), Bangalore, *vide* assessment order dated December 27, 2006 had computed an amount of Rs. 62,319,469 as the income of our Company for the assessment year 2004-05 as against the amount of Rs. 55,810,688 disclosed by our Company through its return filed with the Income Tax Department. Aggrieved by the said order, our Company had filed an appeal before the CIT (Appeals I), Bangalore, who partly upheld the appeal through its order dated October 15, 2007 and partly confirmed the findings of the assessing officer. Our Company had filed an appeal before the ITAT, Bangalore Bench. The ITAT dismissed the appeal through its order dated November 21, 2008 and held that an aggregate amount of Rs. 6,431,108 cannot be treated as expenditure in determining the income of our Company. Aggrieved by the order of the ITAT, an income tax appeal bearing ITA No. 224 & 688/2009 has been filed by our Company before the High Court of Karnataka. The matter is currently pending.

(iii) The Office of the Deputy Commissioner of Commercial Taxes (Assessment - 13), Bangalore, *vide* an assessment order dated November 7, 2005 assessed a turnover of Rs. 194,918,120 and a corresponding tax of Rs. 1,188,711 was determined to be payable by our Company for the assessment year 2003-04. Aggrieved by the order, our Company filed an appeal before the Joint Commissioner of Commercial Taxes (Appeals) Bangalore, who through an order dated November 30, 2004 upheld the order of the Deputy Commissioner of Commercial Taxes. Aggrieved by the order of the Joint Commissioner of Commercial Taxes (Appeals) Bangalore, our Company has filed an appeal before the Sales Tax Appellate Tribunal, Karnataka contending that while undertaking sub-contract works, the turnover relating to the sub-contractor portion is taxed at the hands of the sub-contractor. The matter is currently pending.

(iv) The Office of the Commissioner of Service Tax, Bangalore has through a show cause notice bearing No. 119/2010 dated April 22, 2010 required our Company to show cause why service tax amounting to Rs. 81,512,315 and additional interest and penalty should not be demanded from them on account of taxable amount received from our clients for providing management consultancy services for the assessment years 2004-05 to 2007-08. The Company has made a payment of Rs. 53,967,516 and the balance of 27,544,799 has been adjusted towards CENVAT credit. The Company has sought additional time to file its response in relation to the penalty and interest claimed by the Commissioner of Service Tax, Bangalore.

Cases filed by our Company

Civil litigation

(i) A writ petition bearing No. 7570 of 2008 has been filed by our Company against the Union of India and certain others before the High Court of Karnataka. Our company has claimed that, by virtue of the provisions of the Special Economic Zones, 2005, we are exempt from payment of customs duties or excise duties in respect of goods or services procured or imported to carry on the authorized operations. We have challenged the notifications dated December 8, 2003 and February 21, 2007 issued by the Commissioner of Customs, Pune on the grounds that supplies made to the Company's SEZ cannot be termed as 'export' as defined under the Customs Act**.**

(ii) A civil suit bearing O.S. No. 1622/2001 has been filed by ABC Trading Private Limited and our Company against Sumithra Associates and another before the Court of the City Civil Judge, Bangalore. The contention of the plaintiffs is that they had formulated a scheme for putting up a construction of 35,000 sq. ft. over the property bearing No. 11/14 situated at Vittal Mallya Road, Bangalore and that Kirolaskar Electric Company Limited was interested in purchasing 25,000 sq. ft. of the built-up area in the commercial space being developed. The plaintiffs further contended

that the defendants were appointed to liaise between the plaintiffs and Kirolaskar Electric Company Limited in relation to the proposed transaction and that the transaction between the plaintiffs and Kirolaskar Electric Company Limited failed due to non-performance of obligations by the defendants. The plaintiffs have prayed for a refund of Rs. 700,000 paid to the first defendant on account of services rendered by the first defendant, along with interest and also for a payment of Rs. 2,000,000 as damages by the defendants. Further, the plaintiffs have prayed for a declaration that they owe no money to the defendants on account of the transaction. The defendants in their written statement have contended that the bills raised by the first defendant are proper and that the plaintiffs are liable to pay the same. The matter is currently pending.

Criminal Litigation

(i) A criminal complaint bearing P.C.R. No. 3757/2005 has been registered against Allam Prabhu Yalagi on a complaint received from our Company before the Court of VI Additional City Metropolitan Magistrate, Bangalore for cheating, misrepresentation and creation of forged documents. The accused had induced our Company to enter into a memorandum of understanding in respect of certain properties over which the accused had no right, interest or title. The accused had also received a payment of Rs. 5,000,000 from our Company as consideration in respect of the memorandum of understanding. The matter is currently pending for arguments.

Arbitration Matters

(i) A claim petition has been filed by our Company against Jumbo World Holdings Limited and others before a three member arbitral tribunal. Jumbo World Holdings Limited along with the second and third respondents holds majority of the shares of the Gordon Woodrroffe Limited. We have claimed that the respondents had entered into a share purchase agreement with our Company, whereby 93.47% of the shares of the fourth respondent were to be transferred to our Company and that the respondents had unilaterally terminated the share purchase agreement attributing the reason for the termination as default on the part of our Company. Our Company has sought for an award directing the respondents to transfer the shares and hand over the assets, books, documents, accounts and registers of the fourth respondent to our Company. Jumbo World Holdings and others have filed a counter-claim claiming non-compliance by our Company of its contractual obligations and seeking an award of Rs. 90 million by way of liquidated damages in accordance with the provisions of the share purchase agreement along with interest at the rate of 21% from February 20, 2006. The matter is currently pending.

Cases involving our Subsidiaries

Wholly Owned Subsidiaries

Blue Lagoon Real Estate Private Limited

(i) Cases filed against Blue Lagoon Real Estate Private Limited

Nil

(ii) Cases filed by Blue Lagoon Real Estate Private Limited

Nil

Dynasty Business Parks Sdn Bhd

(i) Cases filed against Dynasty Business Parks Sdn Bhd

Nil

(ii) Cases filed by Dynasty Business Parks Sdn Bhd

Nil

Dynasty International

(iii) Cases filed against Dynasty International

Nil

(iv) Cases filed by Dynasty International

Nil

Embassy Group International

(i) Cases filed against Embassy Group International

Nil

(ii) Cases filed by Embassy Group International

Nil

Embassy Group International (Singapore) Private Limited

(i) Cases filed against Embassy Group International (Singapore) Private Limited

Nil

(ii) Cases filed by Embassy Group International (Singapore) Private Limited

Nil

Neptune Real Estate Private Limited

(i) Cases filed against Neptune Real Estate Private Limited

Nil

(ii) Cases filed by Neptune Real Estate Private Limited

Nil

Star Dreams

(i) Cases filed against Star Dreams

Nil

(ii) Cases filed by Star Dreams

Nil

Worldcrown Limited

(i) Cases filed against Worldcrown Limited

Nil

(ii) Cases filed by Worldcrown Limited

Nil

Worldscope Limited

(i) Cases filed against Worldscope Limited

Nil

(ii) Cases filed by Worldscope Limited

Nil

Other Subsidiaries

Concord India Private Limited

(i) Cases filed against Concord India Private Limited

An application bearing A.A. No. 3/2004 has been filed by N. K. Developers Private Limited against Concord India Private Limited before the Court of the City Civil Judge, Bangalore. The contention of the petitioner is that the petitioner and the respondent had entered into a memorandum of understanding dated August 16, 1999 whereby the development rights over Plot No. 6 bearing Sy. No. 1, situated at Kadugodi, Bidarrahalli Hobli, Hosakote Taluk was to be made available to the petitioner. The petitioner further contended that the respondent was claiming that the memorandum of understanding has been terminated on account of non-performance by the petitioners and that the respondents have started negotiations with other parties in respect of the development rights over the suit property. The petitioner has stated in the application that the matter in respect of the performance of obligations under the memorandum of understanding is proposed to be referred to the Indian Council of Arbitration in accordance with provisions of the memorandum of understanding. Concord India Private Limited has raised objections to the application by contending that the memorandum of understanding has been terminated with effect from August 16, 2000 by virtue of the petitioner not paying the balance interest fee deposit of Rs. 2,500,000 to the respondent in accordance with the provisions of the memorandum of understanding. Concord India Private Limited has further alleged that the application is barred by limitation. The petitioner has filed an interlocutory application praying for a temporary injunction restraining the respondent from claiming that the memorandum of understanding has been terminated and from entering into any other agreement in respect of the suit property during the currency of the proposed arbitration proceedings. N. K. Developers Private Limited has filed CMP No. 98/2008 before the High Court of Karnataka requesting for appointment of an arbitrator to initiate arbitration proceedings. The matter is currently pending.

(ii) Cases filed by Concord India Private Limited

A writ petition bearing W.P. No. 7200/2008 (GM-FOR) has been filed by Concord India Private Limited against the Range Forest Officer and others before the High Court of Karnataka, Bangalore seeking a writ of mandamus to quash the notice dated April 16, 2008 issued by the Range Forest Officer intimating the petitioner that a forest case has been instituted against the petitioner in respect of Plot No. 6 of the Kadugodi Industrial Area falling within the Kadugodi Reserved Forest. The contention of the petitioner is that the land situated at the Kadugodi Industrial Area is not a reserved land. The petitioner had prayed for grant of stay of the

proceedings initiated by the Range Forest Officer and to quash the notice dated April 16, 2008 until the disposal of the said petition and accordingly the High Court of Karnataka has passed an interim order on May 22, 2008 whereby the proceedings of the Range Forest Officer was stayed and the notice quashed until disposal of the petition and the Range Forest Officer was restrained from interfering with the peaceful possession of petitioner's property in the Kadugodi Industrial Area. The matter is currently pending.

Embassy Projects Private Limited

(i) Cases filed against Embassy Projects Private Limited

Nil

(ii) Cases filed by Embassy Projects Private Limited

Nil

Embassy Techzone d.o.o. Beograd

(i) Cases filed against Embassy Techzone d.o.o. Beograd

Nil

(ii) Cases filed by Embassy Techzone d.o.o. Beograd

Nil

Nam Estates Private Limited

(i) Cases filed against Nam Estates Private Limited

(a) A civil suit bearing O.S. No. 198/2008 has been filed by M. Munivenkatappa and others against Gurlappa and others before the Court of Civil Judge (Junior Division), Devanahalli in respect of the property bearing Sy.No. 67 situated at Navarathna Agrahara Village, Jala Hobli, Devanahalli Taluk, Bangalore Rural District admeasuring 1 acre 8 guntas. Nam Estates Private Limited is the second defendant in this suit. The plaintiffs have contended that they are in joint possession of the plaint property and that each one of them are entitled to 1/9th share over the plaint property. The plaintiffs have further contended that the first defendant has clandestinely attempted to get the revenue records in his name by excluding the plaintiffs' right and that the same was done to sell the suit property to the second defendant. The plaintiffs have *interalia* prayed for restraining defendant one from alienating the suit property to his wife or his sons, second defendant or third parties and for grant of permanent injunction restraining the sixth defendant from registering the suit property in favour of the second defendant. The plaintiffs have filed an interlocutory application praying for temporary injunction restraining the first defendant from alienating, transferring or encumbering the suit property in any manner in favour of his wife or his sons or in favour of third parties till the disposal of the suit. Nam Estates Private Limited in their written statement has contended that the plaintiffs have no right, interest or title over the suit property. The matter is currently pending.

(b) A civil suit bearing O.S. No. 796/2008 has been filed by Thimmaka against Puttamma and others before the Court of Civil Judge (Senior Division), Devanahalli in respect of the property bearing Khaneshumari No. 3/3 situated at Boovipalya, Navarathna Agrahara Dakale, Jala Hobli, Bangalore North Taluk admeasuring 4,800 sq.ft. Nam Estates Private Limited is the fifth defendant in this suit. The plaintiff has contended that she is entitled to 1/3rd share of this suit property and that the sale deed dated May 30, 2006 by which

the suit property was conveyed by the defendants one to four to the fifth defendant is not binding on the plaintiff. Nam Estates Private Limited in their written statement have contended that they are bonafide purchasers of the suit property and that the plaintiff has no right, title or interest over the suit property. The matter is currently pending.

(c) A civil suit bearing O.S. No. 652/2007 has been filed by Muniyappa against Peddakka and others before the Court of the Civil Judge (Senior Division) and J.M.F.C, Devanahalli in respect of the property bearing vacant site No. 11/11 situated at Bhovipalaya, Navarathna Agrahara Dhakale, Jala Hobli, Bangalore North Taluk admeasuring 1600 sq.ft. Nam Estates Private Limited is the fifth defendant in this suit. The plaintiff has contended that defendants one and two have executed an agreement for sale dated February 11, 2006 with the plaintiff in respect of the suit property and that in furtherance of the terms of the agreement, he had paid defendants one and two a substantial portion of the sale consideration. The plaintiff has further contended that during continuance of the agreement for sale, the defendants have entered into a registered sale deed with the fifth defendant in respect of the suit property. The plaintiff has prayed for a decree for specific performance of the agreement for sale dated February 11, 2006 by directing the defendants to execute the sale deed in favour of the plaintiff and for permanent injunction restraining the fifth defendant from interfering with the possession of the suit property. Nam Estates Private Limited in their written statement has contended that they are bonafide purchasers of the suit property and that the defendants one to four have not executed any agreement for sale with the plaintiff. The matter is currently pending.

(d) A civil suit bearing O.S. No. 181/2008 has been filed by Nanjunda against Mariyappa and others before the Court of the Civil Judge (Junior Division) and the Court of the Judicial Magistrate, First Class, Devanahalli in respect of the property bearing vacant No. 12 situated at Boovipalaya, Navarathna Agrahara Dakale, Jala Hobli, Bangalore North Taluk admeasuring 3,200 sq.ft. Nam Estates Private Limited is the fifth defendant in this suit. The plaintiff has contended that defendant one had executed an agreement for sale dated March 4, 2006 in favour of the plaintiff in respect of the suit property and that he had paid substantial portion of the sale consideration to defendant one. The plaintiff has further contended that during continuance of the agreement for sale, the defendants alienated the suit property in favour of the fifth defendant *vide* a registered sale deed dated April 25, 2006. The plaintiff has prayed for specific performance of the agreement for sale dated March 4, 2006 by directing the defendants to execute the sale deed in favour of the plaintiff. An interim order was passed by the Court of Principal Civil Judge (Junior Division), Devanahalli on February 18, 2009. Accordingly, an interim application filed by the plaintiff seeking order of temporary injunction restraining the fifth defendant from encumbering or alienating the suit property was allowed. Nam Estates Private Limited in their written statement has contended that they are bonafide purchasers of the suit property and that the plaintiff is not in possession of the suit property. The matter is currently pending.

(e) A civil suit bearing O.S. No. 853/2008 has been filed by Kempamma and another against Anjanappa and others before the Court of the Civil Judge (Senior Division), Devanahalli for partition and separate possession of the property bearing Sy.No. 52/3 situated at Nagamangala Village, Kundana Hobli, Devanahalli Taluk, Bangalore Rural District admeasuring 5 acres 7 guntas of which 3.90 acres are held by Nam Estates Private Limited. Nam Estates Private Limited is the seventh defendant in this suit. The plaintiffs have contended that they are entitled to $1/5^{th}$ share each in the suit property and that they are in joint possession of the suit property with the defendants. The plaintiffs have further contended that defendants one to three in collusion with defendant six and seven have created nominal documents purported to be sale deeds with the motive of depriving the plaintiffs of their legitimate share in the suit property. The plaintiffs have prayed for a decree for partition and separate possession of $2/5^{th}$ share in the suit property. The

plaintiffs have filed an interlocutory application seeking grant of ad-interim/temporary injunction restraining the defendants four to seven from alienating or creating any third party interest over the suit property. Nam Estates Private Limited in their written statement have contended that neither the plaintiffs nor the defendants one to five have any right, title or interest over the suit property and that they are in possession of the suit property. The matter is currently pending.

(f) The Office of the Income Tax Officer, (Ward 12), Bangalore, *vide* an assessment order dated December 18, 2009 had assessed an amount of Rs. 12,671,350 payable as income tax by Nam Estates Private Limited for the assessment year 2007-08 and had issued a demand notice dated December 29, 2009 for the recovery of the said amount. Aggrieved by the notice of the assessing officer, Nam Estates Private Limited has filed an appeal dated January 27, 2010 before the CIT (Appeals). The matter is currently pending.

(g) The Office of the Income Tax Officer, (Ward 12 (1)), Bangalore, *vide* an assessment order dated December 29, 2008 had assessed an amount of Rs. 13,530,100 payable as income tax by Nam Estates Private Limited for the assessment year 2006-07 and had issued a demand notice of the same date for the recovery of the said amount. Aggrieved by the notice of the assessing officer, Nam Estates Private Limited has filed an appeal dated January 29, 2009 before the CIT (Appeals). The matter is currently pending.

(h) The Wealth tax Officer (Ward 12), Bangalore, *vide* an assessment order dated December 28, 2008 had assessed an amount of Rs. 35,970 payable by Nam Estates Private Limited as wealth tax for the assessment year 2006-07, Rs. 25,410 for the assessment year 2005-06, Rs. 18,354 for the assessment year 2004-05, Rs. 13,050 for the assessment year 2003-04 and had issued a demand notices dated December 29, 2008 for the recovery of the said amounts. Aggrieved by the order and demand notice of the assessing officer, Nam Estates Private Limited has filed an appeal dated January 29, 2009 before the Commissioner of Wealth Tax (Appeals). The matter is currently pending.

(ii) Cases filed by Nam Estates Private Limited

(a) A writ petition bearing W.P. No. 12055-57/2009 has been filed by Nam Estates Private, Swire Investments Private Limited and our Company against the State Government of Karnataka and others before the High Court of Karnataka, Bangalore seeking issuance of writ of certiorari and writ of mandamus. Nam Estates Private Limited is the owner of the property bearing various Sy. Nos. situated at Nagamangala Village and Hegganahalli Village, Kundana Hobli, Devnahalli Taluk, Bangalore District aggregating 123.72 acres and Swire Investments Private Limited is the owner of the property bearing various Sy. Nos. situated at Nagamangala Village, Kundana Hobli, Devnahalli Taluk, Bangalore District aggregating 35.23 acres. Our Company had planned a project over the described properties and had also received certain government approvals for the proposed project. The petitioners have preferred this writ petition aggrieved by the unilateral classification of the properties held by the petitioners as agricultural property *vide* an order of the State Government bearing No. NAE 157 BMR 2005 dated January 27, 2009. The contention of the petitioners is that the respondents have acted in an arbitrary and *mala fide* manner by not taking into consideration the various conversion orders granted by the jurisdictional authority with respect to the change of nature of the described properties from agricultural to non-agricultural lands. Further, the petitioners have contended that the impugned order conflicts with various other government approvals granted by the jurisdictional authorities. The petitioners have prayed for issuance of writ of certiorari quashing the impugned government order. The petitioners have also, prayed for a writ of mandamus directing the respondents to comply with the statutory approvals granted to the petitioners in respect of the proposed project and also, to reclassify the described lands as lands for residential use in accordance with the conversion orders. Further, the

petitioners have also prayed for an interim order staying the operation of the impugned government order till the disposal of this writ petition. The matter is currently pending.

(b) A civil suit bearing O.S. No. 871/2005 has been filed by Nam Estates Private Limited against Subbaramu and others before the Court of the Principal Civil Judge (Senior Division), Bangalore Rural District in respect of the property bearing 67/8 situated at Navarathna Agrahara Village, Jala Hobli, Bangalore North Taluk admeasuring 5 acres. The plaintiff has contended that defendants one to three had entered into an agreement for sale dated May 22, 1997 with the plaintiff in respect of the plaint property and accordingly various payments were made by the plaintiff to the defendants in this respect. The plaintiff has further contended that despite repeated requests from the plaintiff for execution of a sale deed, the defendants kept deferring the execution of the sale deed and later the plaintiff learnt that defendants have been making unlawful efforts to alienate the plaint property in favour of third persons. The plaintiff has prayed for relief of specific performance of the agreement for sale dated May 22, 1997 and for grant of temporary injunction restraining the defendants from alienating or encumbering the plaint property in favour of third persons. The plaintiff has also prayed for an exparte order of temporary injunction restraining the defendants from alienating or encumbering the plaint property in favour of third persons pending the disposal of the suit. The matter is currently pending.

(c) A civil suit bearing O.S. No. 2122/2006 has been filed by Nam Estates Private Limited and another against Abbaiah and others before the Court of the Principal Civil Judge (Senior Division), Devanahalli in respect of the property bearing Sy.Nos. 67/287 and 67/288 situated at Navarathna Agrahara Village, Jala Hobli, Bangalore North Taluk. The first plaintiff has contended that they are in possession of the land bearing Sy. No. 67/287 admeasuring 13.1 acres and that the second defendant is in possession of the remaining suit property. The plaintiffs have further contended that the defendants have no right, title or interest over the suit property and hence they have no right to enter into a transaction dated January 16, 2006 with the twelfth defendant in respect of 8 acres 10 guntas of the suit property. The plaintiffs have prayed for permanent injunction restraining the defendants (i) from interfering with the peaceful possession and enjoyment of the suit property, (ii) from putting up any construction over the suit property and (iii) from alienating or encumbering the suit property in favour of third person or creating any mortgage in respect of the suit property. The plaintiffs have also sought exparte order of temporary injunction restraining the defendants from alienating or encumbering the suit property in favour of third persons till disposal of the suit and an ad-interim order of temporary injunction in the like terms.

(iii) Cases in relation to land held by Nam Estates Private Limited or in relation to which Nam Estates Private Limited has entered into agreements

(a) A civil suit bearing O.S. No. 1329/2005 has been filed before the Principal Civil Judge (Senior Division) Bangalore Rural District, by Munivenkatappa and three others against Muniyappa and eight others in respect of certain property held by Nam Estates Private Limited. The plaintiffs have sought for partition, separate possession and a declaration of title in respect of their one-ninth share in property at Sy. No. 67 measuring 120 acres. Of the above 120 acres, Nam Estates Private Limited currently hold 13 acres 4 guntas in its own name and 11 acres 8 guntas in the name V.S. Aravindan, with whom Nam Estates Private Limited has entered into an agreement. The matter is currently pending.

(b) A civil suit bearing O.S. No. 1260/2006 has been filed before the Civil Judge (Senior Division), Bangalore, by Chandrama and five others against Muniyamma and five others with respect to the property at Sy. No. 3/225 of Navarathna Agrahara Village measuring about 1 acre 8 guntas, in relation to which Nam Estates Private Limted has entered into an agreement. The plaintiffs have sought a relief from the court to direct the defendants to

effect the partition of the property and place the plaintiffs in possession of their one-sixteenth share of the property. The matter is currently pending.

(c) A civil suit bearing O.S. No. 1683/2006 has been filed before the Civil Judge (Senior Division), Devanahalli, by Muniyakka against Venkatamma and five others with respect to the property at Sy. No. 3/240 of Navarathna Agrahara Village measuring about 1 acre, currently held by Nam Estates Private Limted. The plaintiffs have sought a relief from the court to direct the defendants to effect the partition of the property and place the plaintiff in possession of the plaintiff's one-sixth share of the property. The matter is currently pending.

(d) A civil suit bearing O.S. No. 2301/2006 has been filed before the Civil Judge (Senior Division), Devanahalli, by Lakshmamma and others against Peddakka and eighteen others with respect to the property at Sy. No 58 of Hegganahalli Village measuring about 8 acres and 20 guntas. In the above land, Nam Estates holds 3 acres in its name and 2 acres 20 guntas, in relation to which Nam Estates Private Limted has entered into an agreement. The plaintiffs have sought a relief from the court to direct the defendants to effect the partition of the property and place the plaintiffs in possession of their share of the property. The matter is currently pending.

(e) A civil suit bearing O.S. No. 319/2007 has been filed before the Civil Judge (Senior Division), Devanahalli, by Muniyamma against Munivekatappa and five others with respect to the property at Sy. No. 3/228 of Navarathna Agrahara Village measuring about 35 guntas, in relation to which Nam Estates Private Limted has entered into an agreement. The plaintiffs have sought a relief from the court to direct the defendants to effect the partition of the property and place the plaintiff in possession of the plaintiff's one-sixteenth share of the property. The matter is currently pending.

(f) A civil suit bearing O.S. No. 150/2008 has been filed before the Civil Judge (Senior Division), Devanahalli, by Chinamma and four others against Motappa and V.S. Aravindan with respect to the tiled house at No 13/13, Doddajala Grama Panchayati Khata of Navarathna Agrahara Village in relation to which Nam Estates Private Limted has entered into an agreement. The plaintiffs have sought a relief from the court to direct the defendants to effect the partition of the property and place the plaintiffs in possession of their half share of the property. The matter is currently pending.

(g) A civil suit bearing O.S. No. 386/2008 has been filed before the Civil Judge (Senior Division), Devanahalli, by Shyamala against Muniyappa and four others with respect to the property at Sy. No. 2/231 of Navarathna Agrahara Village measuring about 35 guntas, in relation to which Nam Estates Private Limted has entered into an agreement. The plaintiffs have sought a relief from the court to direct the defendants to effect the partition of the property and place the plaintiff in possession of the plaintiff's one-sixteenth share of the property. The matter is currently pending.

(h) A civil suit bearing O.S. No. 474/2008 has been filed before the Court of the Civil Judge and Junior Magistrate (First Class), Devanahalli, by Venkaramma against Chinkaa and two others with respect to the property at Sy. No. 56 of Hegganahalli Village measuring about 1 acre, in relation to which Nam Estates Private Limted has entered into an agreement. The plaintiff has sought a relief from the court to direct the defendants to effect the partition of the property and place the plaintiff in possession of the plaintiff's one-sixth share of the property. A petition has been filed by the plaintiff to implead Nam Estates Private Limited. The matter is currently pending.

(i) A civil suit bearing O.S. No. 594/2008 has been filed before the Civil Judge (Senior Division), Devanahalli, by K. Anjinappa against K. Narayanaswamy and two others with respect to the property at Sy. No. 47/4 of Nagamangala Village measuring about 1 acre

currently held by V. R. Singarachari, with whom Nam Estates Private Limted has entered into an agreement. The plaintiff has sought a relief from the court to direct the defendants to effect the partition of the property and place the plaintiff in possession of the plaintiff's half share of the property. The matter is currently pending.

(j) A civil suit bearing O.S. No. 829/2008 has been filed before the Principal Civil Judge (Senior Division), Devanahalli, by Muniyappa against C. R. Muniyappa and ten others with respect to the property at Sy. No. 58 of Hegganahalli Village measuring about 2 acres currently held by Nam Estates Private Limited. It is contended by the plaintiff that the first defendant had fraudulently conveyed the above described joint family property in his own name by executing a registered sale deed dated February 19, 2005 and further sold the property to Nam Estates Private Limited through a sale deed dated August 25, 2005. The plaintiff has sought a relief from the court to direct the defendants to effect the partition of the property and place the plaintiff in possession of the plaintiff's one-third share of the property. The matter is currently pending.

(k) A civil suit bearing O.S. No. 912/2008 has been filed before the Civil Judge (Senior Division), Devanahalli, by Hemavathi against Peddakka and six others with respect to the property at Sy. No. 3/228 of Navarathna Agrahara Village measuring about 35 guntas in relation to which Nam Estates Private Limted has entered into an agreement. The plaintiff has sought a relief from the court to direct the defendants to effect the partition of the property and place the plaintiff in possession of the plaintiff's one-sixth share of the property. The matter is currently pending.

(l) A civil suit bearing O.S. No. 1575/2008 has been filed before the Civil Judge (Senior Division), Devanahalli, by N. Anjanamma against N. Manjunath and five others with respect to the property at Sy. No. 46/1A of Nagamangala Village measuring about 12 acres 11 guntas, in relation to which Nam Estates Private Limted has entered into an agreement. The plaintiffs have sought a relief from the court to direct the defendants to effect the partition of the property and place the plaintiffs in possession of their one-sixteenth share of the property. The matter is currently pending.

(m) The Government of Karnataka through the Special Deputy Commissioner, Bangalore Urban District, has initiated proceedings bearing No. RRT 263/2008-09 under the provisions of the Karnataka Land Revenue Act and had issued notices in respect of property at Sy. No. 3/220 of Navarathna Agrahara Village measuring 1 acre 3 guntas held by V.S. Aravindan, with whom Nam Estates Private Limted has entered into an agreement, alleging that the same is government property. The notice further requires V.S. Aravindan to produce documents of title to verify whether the occupancy rights are genuine. V.S. Aravindan has filed a response before the Special Deputy Commissioner, Bangalore Urban District claiming ownership and possession of the property. The matter is currently pending.

(n) The Government of Karnataka through the Special Deputy Commissioner, Bangalore Urban District, has initiated proceedings bearing No. RRT 282/2008-09 under the provisions of the Karnataka Land Revenue Act and had issued notices in respect of property at Sy. No. 3/233 of Navarathna Agrahara Village measuring 21 guntas held by V.S. Aravindan, with whom Nam Estates Private Limted has entered into an agreement, alleging that the same is government property. The notice further requires V.S. Aravindan to produce documents of title to verify whether the occupancy rights are genuine. V.S. Aravindan has filed a response before the Special Deputy Commissioner, Bangalore Urban District claiming ownership and possession of the property. The matter is currently pending.

(o) The Government of Karnataka through the Special Deputy Commissioner, Bangalore Urban District, has initiated proceedings bearing No. RRT 298/2008-09 under the

provisions of the Karnataka Land Revenue Act and had issued notices in respect of property at Sy. No. 3/221 of Navarathna Agrahara Village measuring 1 acre 5 guntas held by V.S. Aravindan, with whom Nam Estates Private Limted has entered into an agreement, alleging that the same is government property. The notice further requires V.S. Aravindan to produce documents of title to verify whether the occupancy rights are genuine. V.S. Aravindan has filed a response before the Special Deputy Commissioner, Bangalore Urban District claiming ownership and possession of the property. The matter is currently pending.

(p) The Government of Karnataka through the Special Deputy Commissioner, Bangalore Urban District, has initiated proceedings bearing No. RRT 326/2008-09 under the provisions of the Karnataka Land Revenue Act and had issued notices in respect of property at Sy. No. 3/228 of Navarathna Agrahara Village measuring 35 guntas held by V.S. Aravindan, with whom Nam Estates Private Limted has entered into an agreement, alleging that the same is government property. The notice further requires V.S. Aravindan to produce documents of title to verify whether the occupancy rights are genuine. V.S. Aravindan has filed a response before the Special Deputy Commissioner, Bangalore Urban District claiming ownership and possession of the property. The matter is currently pending.

(q) The Government of Karnataka through the Special Deputy Commissioner, Bangalore Urban District, has initiated proceedings bearing No. RRT 327/2008-09 under the provisions of the Karnataka Land Revenue Act and had issued notices in respect of property at Sy. No. 3/238 of Navarathna Agrahara Village measuring 20 guntas held by Mohammed Mustafa, with whom the Nam Estates Private Limited have entered into an agreement with, alleging that the same is government property. The notice further requires Mohammed Mustafa to produce documents of title to verify whether the occupancy rights are genuine. The matter is currently pending.

(r) The Government of Karnataka through the Special Deputy Commissioner, Bangalore Urban District, has initiated proceedings bearing No. RRT 331/2008-09 under the provisions of the Karnataka Land Revenue Act and had issued notices in respect of property at Sy. No. 3/213 of Navarathna Agrahara Village measuring 2 acres held by the V.S. Aravindan, with whom Nam Estates Private Limted has entered into an agreement, alleging that the same is government property. The notice further requires V.S. Aravindan to produce documents of title to verify whether the occupancy rights are genuine. V.S. Aravindan has filed a response before the Special Deputy Commissioner, Bangalore Urban District claiming ownership and possession of the property. The matter is currently pending.

(s) The Government of Karnataka through the Special Deputy Commissioner, Bangalore Urban District, has initiated proceedings bearing No. RRT 332/2008-09 under the provisions of the Karnataka Land Revenue Act and had issued notices in respect of property at Sy. No. 3/226 of Navarathna Agrahara Village measuring 35 guntas held by V.S. Aravindan, with whom Nam Estates Private Limted has entered into an agreement, alleging that the same is government property. The notice further requires V.S. Aravindan to produce documents of title to verify whether the occupancy rights are genuine. V.S. Aravindan has filed a response before the Special Deputy Commissioner, Bangalore Urban District claiming ownership and possession of the property. The matter is currently pending.

(t) The Government of Karnataka through the Special Deputy Commissioner, Bangalore Urban District, has initiated proceedings bearing No. RRT 334/2008-09 under the provisions of the Karnataka Land Revenue Act and had issued notices in respect of property at Sy. No. 3/209 of Navarathna Agrahara Village measuring 30 guntas held by V.S. Aravindan, with whom Nam Estates Private Limted has entered into an agreement,

alleging that the same is government property. The notice further requires V.S. Aravindan to produce documents of title to verify whether the occupancy rights are genuine. V.S. Aravindan has filed a response before the Special Deputy Commissioner, Bangalore Urban District claiming ownership and possession of the property. The matter is currently pending.

(u) The Government of Karnataka through the Special Deputy Commissioner, Bangalore Urban District, has initiated proceedings bearing No. RRT 335/2008-09 under the provisions of the Karnataka Land Revenue Act and had issued notices in respect of property at Sy. No. 3/215 of Navarathna Agrahara Village measuring 1 acre held by V.S. Aravindan, with whom Nam Estates Private Limted has entered into an agreement, alleging that the same is government property. The notice further requires V.S. Aravindan to produce documents of title to verify whether the occupancy rights are genuine. V.S. Aravindan has filed a response before the Special Deputy Commissioner, Bangalore Urban District claiming ownership and possession of the property. The matter is currently pending.

(v) The Government of Karnataka through the Special Deputy Commissioner, Bangalore Urban District, has initiated proceedings bearing No. RRT 339/2008-09 under the provisions of the Karnataka Land Revenue Act and had issued notices in respect of property at Sy. No. 3/232 of Navarathna Agrahara Village measuring 1 acre held by V.S. Aravindan, with whom Nam Estates Private Limted has entered into an agreement, alleging that the same is government property. The notice further requires V.S. Aravindan to produce documents of title to verify whether the occupancy rights are genuine. V.S. Aravindan has filed a response before the Special Deputy Commissioner, Bangalore Urban District claiming ownership and possession of the property. The matter is currently pending.

(w) The Government of Karnataka through the Special Deputy Commissioner, Bangalore Urban District, has initiated proceedings bearing No. RRT 347/2008-09 under the provisions of the Karnataka Land Revenue Act and had issued notices in respect of property at Sy. No. 3/223 of Navarathna Agrahara Village measuring 2 acres 7 guntas held by V.S. Aravindan, with whom Nam Estates Private Limted has entered into an agreement, alleging that the same is government property. The notice further requires V.S. Aravindan to produce documents of title to verify whether the occupancy rights are genuine. V.S. Aravindan has filed a response before the Special Deputy Commissioner, Bangalore Urban District claiming ownership and possession of the property. The matter is currently pending.

(x) The Government of Karnataka through the Special Deputy Commissioner, Bangalore Urban District, has initiated proceedings bearing No. RRT 354/2008-09 under the provisions of the Karnataka Land Revenue Act and had issued notices in respect of property at Sy. No. 3/240 of Navarathna Agrahara Village measuring 1 acre held by V.S. Aravindan, with whom Nam Estates Private Limted has entered into an agreement, alleging that the same is government property. The notice further requires V.S. Aravindan to produce documents of title to verify whether the occupancy rights are genuine. V.S. Aravindan has filed a response before the Special Deputy Commissioner, Bangalore Urban District claiming ownership and possession of the property. The matter is currently pending.

(y) The Government of Karnataka through the Special Deputy Commissioner, Bangalore Urban District, has initiated proceedings bearing No. RRT 355/2008-09 under the provisions of the Karnataka Land Revenue Act and had issued notices in respect of property at Sy. No. 3/218 of Navarathna Agrahara Village measuring 1 acre 3 guntas held by V.S. Aravindan, with whom Nam Estates Private Limted has entered into an agreement, alleging that the same is government property. The notice further requires

V.S. Aravindan to produce documents of title to verify whether the occupancy rights are genuine. V.S. Aravindan has filed a response before the Special Deputy Commissioner, Bangalore Urban District claiming ownership and possession of the property. The matter is currently pending.

(z) The Government of Karnataka through the Special Deputy Commissioner, Bangalore Urban District, has initiated proceedings bearing No. RRT 366/2008-09 under the provisions of the Karnataka Land Revenue Act and had issued notices in respect of property at Sy. No. 3/231 of Navarathna Agrahara Village measuring 35 guntas held by V.S. Aravindan, with whom Nam Estates Private Limted has entered into an agreement, alleging that the same is government property. The notice further requires V.S. Aravindan to produce documents of title to verify whether the occupancy rights are genuine. The matter is currently pending.

(aa) The Government of Karnataka through the Special Deputy Commissioner, Bangalore Urban District, has initiated proceedings bearing No. RRT 369/2008-09 under the provisions of the Karnataka Land Revenue Act and had issued notices in respect of property at Sy. No. 3/237 of Navarathna Agrahara Village measuring 30 acres held by V.S. Ramanujam, with whom Nam Estates Private Limted has entered into an agreement, alleging that the same is government property. The notice further requires V.S. Ramanujam to produce documents of title to verify whether the occupancy rights are genuine. V.S. Ramanujam has filed a response before the Special Deputy Commissioner, Bangalore Urban District claiming ownership and possession of the property. The matter is currently pending.

(bb) The Government of Karnataka through the Special Deputy Commissioner, Bangalore Urban District, has initiated proceedings bearing No. RRT 376/2008-09 under the provisions of the Karnataka Land Revenue Act and had issued notices in respect of property at Sy. No. 3/234 of Navarathna Agrahara Village measuring 21 guntas held by V.S. Aravindan, with whom Nam Estates Private Limted has entered into an agreement, alleging that the same is government property. The notice further requires V.S. Aravindan to produce documents of title to verify whether the occupancy rights are genuine. V.S. Aravindan has filed a response before the Special Deputy Commissioner, Bangalore Urban District claiming ownership and possession of the property. The matter is currently pending.

(cc) The Government of Karnataka through the Special Deputy Commissioner, Bangalore Urban District, has initiated proceedings bearing No. RRT 386/2008-09 under the provisions of the Karnataka Land Revenue Act and had issued notices in respect of property at Sy. No. 3/199 of Navarathna Agrahara Village measuring 1 acre held by V.S. Aravindan, with whom Nam Estates Private Limted has entered into an agreement, alleging that the same is government property. The notice further requires V.S. Aravindan to produce documents of title to verify whether the occupancy rights are genuine. V.S. Aravindan has filed a response before the Special Deputy Commissioner, Bangalore Urban District claiming ownership and possession of the property. The matter is currently pending.

(dd) The Government of Karnataka through the Special Deputy Commissioner, Bangalore Urban District, has initiated proceedings bearing No. RRT 394/2008-09 under the provisions of the Karnataka Land Revenue Act and had issued notices in respect of property at Sy. No. 3/241 of Navarathna Agrahara Village measuring 1 acre held by V.S. Aravindan, with whom Nam Estates Private Limted has entered into an agreement, alleging that the same is government property. The notice further requires V.S. Aravindan to produce documents of title to verify whether the occupancy rights are genuine. V.S. Aravindan has filed a response before the Special Deputy Commissioner,

Bangalore Urban District claiming ownership and possession of the property. The matter is currently pending.

(ee) The Government of Karnataka through the Special Deputy Commissioner, Bangalore Urban District, has initiated proceedings bearing No. RRT 396/2008-09 under the provisions of the Karnataka Land Revenue Act and had issued notices in respect of property at Sy. No. 3/225 of Navarathna Agrahara Village measuring 1 acre 8 guntas held by V.S. Aravindan, with whom Nam Estates Private Limted has entered into an agreement, alleging that the same is government property. The notice further requires V.S. Aravindan to produce documents of title to verify whether the occupancy rights are genuine. V.S. Aravindan has filed a response before the Special Deputy Commissioner, Bangalore Urban District claiming ownership and possession of the property. The matter is currently pending.

(ff) The Government of Karnataka through the Special Deputy Commissioner, Bangalore Urban District, has initiated proceedings bearing No. RRT 397/2008-09 under the provisions of the Karnataka Land Revenue Act and had issued notices in respect of property at Sy. No. 3/227 of Navarathna Agrahara Village measuring 35 guntas held by V.S. Aravindan, with whom Nam Estates Private Limted has entered into an agreement, alleging that the same is government property. The notice further requires V.S. Aravindan to produce documents of title to verify whether the occupancy rights are genuine. V.S. Aravidan has filed a response before the Special Deputy Commissioner, Bangalore Urban District claiming ownership and possession of the property. The matter is currently pending.

(gg) The Government of Karnataka through the Special Deputy Commissioner, Bangalore Urban District, has initiated proceedings bearing No. RRT 411/2008-09 411/2008-09 under the provisions of the Karnataka Land Revenue Act and had issued notices in respect of property at Sy. No. 3/250 of Navarathna Agrahara Village measuring 5 acre 23 guntas held by V.S. Aravindan, with whom Nam Estates Private Limted has entered into an agreement, alleging that the same is government property. The notice further requires V.S. Aravindan to produce documents of title to verify whether the occupancy rights are genuine. V.S. Aravindan has filed a response before the Special Deputy Commissioner, Bangalore Urban District claiming ownership and possession of the property. The matter is currently pending.

(hh) The Government of Karnataka through the Special Deputy Commissioner, Bangalore Urban District, has initiated proceedings bearing No. RRT 412/2008-09 under the provisions of the Karnataka Land Revenue Act and had issued notices in respect of property at Sy. No. 3/219 of Navarathna Agrahara Village measuring 1 acre 3 guntas held by V.S. Aravindan, with whom Nam Estates Private Limted has entered into an agreement, alleging that the same is government property. The notice further requires V.S. Aravindan to produce documents of title to verify whether the occupancy rights are genuine. V.S. Aravindan has filed a response before the Special Deputy Commissioner, Bangalore Urban District claiming ownership and possession of the property. The matter is currently pending.

(ii) The Government of Karnataka through the Special Deputy Commissioner, Bangalore Urban District, has initiated proceedings bearing No. RRT 759/2008-09 under the provisions of the Karnataka Land Revenue Act and had issued notices in respect of property at Sy. No. 67/287 of Navarathna Agrahara Village measuring 5 acre 30 guntas held by H. Anjanappa, with whom Nam Estates Private Limted has entered into an agreement, alleging that the same is government property. The notice further requires H. Anjanappa to produce documents of title to verify whether the occupancy rights are genuine. H. Anjanappa has filed a response before the Special Deputy Commissioner,

Bangalore Urban District claiming ownership and possession of the property. The matter is currently pending.

(jj) The Government of Karnataka through the Special Deputy Commissioner, Bangalore Urban District, has initiated proceedings bearing No. RRT 811/2009-10 under the provisions of the Karnataka Land Revenue Act and had issued notices in respect of property at Sy. No. 67/288 of Navarathna Agrahara Village measuring 3 acres held by V.S. Aravindan, with whom Nam Estates Private Limted has entered into an agreement, alleging that the same is government property. The notice further requires V.S. Aravindan to produce documents of title to verify whether the occupancy rights are genuine. V.S. Aravindan has filed a response before the Special Deputy Commissioner, Bangalore Urban District claiming ownership and possession of the property. The matter is currently pending.

(kk) The Government of Karnataka through the Assistant Commissioner, Doballur sub-division, Bangalore had initiated proceedings against V. R. Singarachari, , with whom Nam Estates Private Limted has entered into an agreement, for alleged contravention of the Karnataka Land Reforms Act and had ordered the resumption of property in Sy. No. 47 of Nagamangala Village measuring 5 acres. V. R. Singarachari has filed an appeal bearing 277/08 before the Karnataka Appellate Tribunal claiming that there has been no contravention and seeking the reversal of the order of the Assistant Commissioner, Doballur sub-division.

(ll) A revision appeal bearing No. 19/05-06 has been filed before the Special Deputy Commissioner, Bangalore North sub-division, Bangalore by Nam Estates Private Limited and certain others with whom Nam Estates Private Limted has entered into an agreement, against the Assistant Director of Land Records and the Tahsildar, Bangalore North Taluk in respect of the survey conducted relating to property at Sy. No. 67 currently held by Nam Estates Private Limited. The matter is currently pending.

(mm) A revision application bearing R.A. No. 372/05-06 has been filed before the Assistant Commissioner, Bangalore North sub-division, Bangalore by Nam Estates Private Limited against the orders of the Tahsildar in RRT. CR 24 dated November 10, 2005 relating to the mutation of the property at Sy. No. 67/287 and 123 measuring 8 acres 10 guntas, currently held by Nam Estates Private Limited. The matter is currently pending.

(nn) A revision application bearing R.A. No. 605/06-07 has been filed before the Assistant Commissioner, Bangalore North sub-division, Bangalore by Manjunath and two others against the orders of the Tahsildar in RRT. DIS 19 dated January 3, 2007 relating to the mutation of the property at Sy. No. 67/287 and 67/288 measuring 16 acres 20 guntas, currently held by Nam Estates Private Limited. The matter is currently pending.

Saphire Realtors Private Limited

(i) Cases filed against Saphire Realtors Private Limited

The Office of the Assistant Commissioner of Income Tax, Ward -12(3), Bangalore, through an assessment order dated December 28, 2007 of Saphire Realtors Private Limited had disallowed an interest of Rs. 6,957,999 and an expense of Rs. 5,910,018 as development expenses incurred in the course of business for the assessment year 2005-06. Aggrieved by the said order, Saphire Realtors Private Limited has filed an appeal dated March 12, 2008 before the Commissioner of Income Tax (Appeals) III. The matter is currently pending.

(ii) Cases filed by Saphire Realtors Private Limited

Nil

Swire Investments Private Limited

(i) Cases filed against Swire Investments Private Limited

Nil

(ii) Cases filed by Swire Investments Private Limited

See Cases filed by Nam Estates Private Limited

(iii) Cases in relation to land held by Swire Investments Private Limited or in relation to which Swire Investments Private Limited as entered into agreements

(a) A civil suit bearing O.S. No. 1125/2006 has been filed before the Civil Judge (Senior Division), Devanahalli, by Mara Bhovi and nine others against Sridhar Shetty and two others with respect to the property at Sy. No. 51/53 of Nagamangala measuring about 20 guntas currently held by Krishnakumar, with whom Swire Investments Private Limted has entered into an agreement. The plaintiff has sought a relief from the court to direct the defendants to effect the partition of the property and place the plaintiffs in possession of their two-fifth share of the property. The matter is currently pending.

(b) A civil suit bearing O.S. No. 565/2008 has been filed before the Civil Judge (Senior Division), Devanahalli, by Shoba and another against Rathnamma and four others with respect to the property at Sy. No 51/16 of Nagamangala Village measuring about 29 guntas and at Sy. No 48/5 of Nagamangala Village measuring about 0.75 guntas currently held by Swire Investments Private Limited. The plaintiff has sought a relief from the court to direct the defendants to effect the partition of the property and place the plaintiff in possession of the plaintiff's two-fifth share of the property. The matter is currently pending.

(c) A civil suit bearing O.S. No. 1384/2008 has been filed before the Civil Judge (Senior Division), Devanahalli, by Anjanamma and another against Sarojamma and three others with respect to the property at Sy. No 51/4 of Nagamangala Village measuring about 1 acre 20 guntas, of which 1 acre and 20 guntas are currently held by Swire Investments Private Limited. The plaintiffs have sought a relief from the court to direct the defendants to effect the partition of the property and place the plaintiffs in possession of their one-sixth share of the property. The matter is currently pending.

(d) A Revision Petition bearing RP No. 99/2007-08 has been filed before the Deputy Commissioner, Bangalore Rural District by Ambika and another against Krishna Kumar and the Assistant Commissioner, Doddaballapura Sub-Division to set aside the conversion order & mutation register in respect of property at Sy. No. 51/9 of Nagamangala Village measuring 30 guntas currently held by Krishnakumar, with whom Swire Investments Private Limted has entered into an agreement. The plaintiff has contended that the property in question is family property in which the plaintiff has a share and is further land granted by the government with a condition not to alienate or encumber the same for a period of 15 years. The matter is currently pending.

(e) A Revision Petition bearing RP No. 105/2008-09 has been filed before the Deputy Commissioner, Bangalore Rural District by Basavaraj against C. Mukundarajan and the Assistant Commissioner, Doddaballapura Sub-Division to set aside the conversion order & mutation register in respect of property at Sy. No. 51/3 of Nagamangala Village measuring 30 guntas currently held by C. Mukundarajan, with whom Swire Investments Private Limted has entered into an agreement. The plaintiff has contended that the property in question is family property in which the plaintiff has a share and is further

land granted by the government with a condition not to alienate or encumber the same for a period of 15 years. The matter is currently pending.

(f) A Revision Petition bearing RP No. 106/2008-09 has been filed before the Deputy Commissioner, Bangalore Rural District by N. Shakunthala against C. Mukundan and the Assistant Commissioner, Doddaballapura Sub-Division to set aside the conversion order and mutation register in respect of property at Sy. No. 51/11 of Nagamangala Village measuring 25 guntas currently held by C. Mukundan, with whom Swire Investments Private Limted has entered into an agreement. The plaintiff has contended that the property in question is family property in which the plaintiff has a share and is further land granted by the government with a condition not to alienate or encumber the same for a period of 15 years. The matter is currently pending.

(g) A Revision Petition bearing RP No. 107/2008-09 has been filed before the Deputy Commissioner, Bangalore Rural District by Ramanna against Krishnakumar and the Assistant Commissioner, Doddaballapura Sub-Division to set aside the conversion order & mutation register in respect of property at Sy. No. 50/3 of Nagamangala Village measuring 30 guntas currently held by Krishnakumar, with whom Swire Investments Private Limted has entered into an agreement. The plaintiff has contended that the property in question is family property in which the plaintiff has a share and is further land granted by the government with a condition not to alienate or encumber the same for a period of 15 years. The matter is currently pending.

(h) A Revision Petition bearing RP No. 108/2008-09 has been filed before the Deputy Commissioner, Bangalore Rural District by N. Pavithra against Krishnakumar and the Assistant Commissioner, Doddaballapura Sub-Division to set aside the conversion order & mutation register in respect of property at Sy. No. 51/2 of Nagamangala Village measuring 1 acre 22 guntas currently held by Krishnakumar, with whom Swire Investments Private Limted has entered into an agreement. The plaintiff has contended that the property in question is family property in which the plaintiff has a share and is further land granted by the government with a condition not to alienate or encumber the same for a period of 15 years. The matter is currently pending.

Subsidiaries formed as Joint Ventures with other entities

Pune Dynasty Projects Private Limited

(i) Cases filed against Pune Dynasty Projects Private Limited

Nil

(ii) Cases filed by Pune Dynasty Projects Private Limited

Nil

Pune Embassy Projects Private Limited

(i) Cases filed against Pune Embassy Projects Private Limited

Nil

(ii) Cases filed by Pune Embassy Projects Private Limited

Nil

Cases involving our Associate entities

Associate entities formed as joint ventures with other entities

DM Estates Private Limited

(i) Cases filed against DM Estates Private Limited

(a) A motor vehicle accident claim bearing MVC No. 8332 of 2009 has been filed against D.M. Estates Private Limited by Amul Nagin. Amul Nagin has claimed that he was a pedestrian who suffered grievous injuries due to the rash and negligent driving of a car owned by D.M. Estates Private Limited. Amul Nagin has claimed a compensation of Rs. 2 million from DM Estates Private Limited. The matter is currently pending.

(b) The Office of the Deputy Commissioner of Income Tax, (Circle 11(1)), Bangalore, *vide* an assessment order dated November 20, 2007 had assessed an amount of Rs. 1,039,715 payable by DM Estates Private Limited for the assessment year 2005-06 and had issued a demand notice of the same date for the recovery of the said amount. Aggrieved by the notice of the assessing officer, DM Estates Private Limited has filed an appeal dated January 21, 2010 before the CIT (Appeals). The CIT (Appeals), though an order datedMarch 11, 2010, dismissed the appeal. Aggrieved by the order of the CIT (Appeals), DM Estates Private Limited has filed an appeal dated May 10, 2010 before the Income Tax Appellate Tribunal, Bangalore.

(ii) Cases filed by DM Estates Private Limited

Golf Links Software Park Private Limited and DM Estates Private Limited have filed 10 writ petitions dated April 20, 2009 before the High Court of Karnataka against the State Government of Karnataka and the BBMP seeking to quash the Karnataka Municipal Corporation Act (Amendment) Ordinance, 2008 and the Bruhat Bangalore Mahanagar Palike Property Tax Rules, 2009 on the grounds that the classification of commercial or non-residential building on the basis of being provided with a central air conditioning facility is unreasonable and further claiming that the state government does not have the authority to levy the tax proposed to be levied by the above mentioned rules. Golf Links Software Park Private Limited and DM Estates Private Limited have also sought an interim prayer seeking the High Court of Karnataka to stay the operation of the above rules and direct the state government and BBMP to collect taxes in relation to certain properties owned by the respective companies as property used for non-commercial purposes. The High Court of Karnataka has granted an interim stay through orders dated April 20, 2009 and April 21, 2009, subject to the petitioner paying and continuing to pay at the rate of 50%, the property tax taking into consideration that it falls under category VIII of Table II of Annexure A, subject to result of the petition. The matter is currently pending before the High Court.

DSRK Holdings Private Limited

(i) Cases filed against DSRK Holdings Private Limited

Nil

(ii) Cases filed by DSRK Holdings Private Limited

Nil

G.V. Properties Private Limited

(i) Cases filed against G.V. Properties Private Limited

Nil

(ii) Cases filed by G.V. Properties Private Limited

Nil

Golf Links Software Park Private Limited

(i) Cases filed against Golf Links Software Park Private Limited:

(a) A civil suit bearing O.S. No. 5563/2003 has been filed by Lachamma against Abba and others before the Court of the City Civil Judge, Bangalore. The plaintiffs have filed an application before the City Civil Court to implead Golf Links Software Park Private Limited in the above civil suit and have also filed an application requesting the court to pass an ex parte order against the defendant restraining him and his representatives from alienating certain land belonging to the plaintiff and also against creating any charge on the said property. The matter is currently pending.

(b) A civil suit bearing O.S. No. 6847/2004 has been filed by Doddamuniyamma against Muniyamma and others before the Court of the City Civil Judge, Bangalore. The contention of the plaintiff is that she is in joint possession of the property bearing Sy. Nos. 8/2 and 8/3 situated at Challaghatta Village, Varthur Hobli, Bangalore East Taluk, Bangalore District, together with the defendants and that Golf Links Software Park Private Limited being the developer of the property for the defendants has made illegal attempts to change the nature of the property. The plaintiff has prayed for declaration that the sale deeds dated June 17, 1998, June 29, 1998, December 7, 2000, August 17, 1994 and October 21, 1994 executed by the defendants are void to the extent of the one-third share of the plaintiff in the suit property. Further, the plaintiff has also prayed for a permanent injunction restraining the defendants from changing the nature of the property. Golf Links Software Park Private Limited in its written statement has contended that the description of the suit property is incorrect and that the plaintiff has no right, title or interest in the suit property. The matter is currently pending.

(c) A civil suit bearing O.S. No. 9363/2004 has been filed by K.S. Sunil Gupta against Pillamma and others before the Court of the City Civil Judge, Bangalore for specific performance of the agreement to sell dated March 31, 1995 in respect of the property bearing Sy. No. 8/3 situated at Challaghatta village, Varthur Hobli, Bangalore South Taluk, Bangalore District admeasuring 1.9 acres including 10 guntas of kharab land. Golf Links Software Park Private Limited is the eighteenth defendant in the suit. The plaintiff has prayed for execution of the sale deed by the defendants one to thirteen and seventeen in respect of the suit property in favour of the plaintiff by virtue of the agreement to sell dated March 31, 1995. The plaintiff has also sought for permanent injunction restraining the defendants from interfering with the peaceful possession and enjoyment of the suit property by the plaintiff or alternatively for defendants one to thirteen to refund a sum of Rs. 2,528,500 along with a sum of Rs. 1,431,500 as damages in all a sum of Rs. 3,960,000 together with current and future interest at 15% per annum. Golf Links Software Park Private Limited in their written statement have contended that the plaintiff has not explained the reason for impleading them in the plaint. Further, Golf Links Software Park Private Limited has contended that the plaintiff is not entitled to the specific performance of the agreement to sell as the suit property belongs to them. The matter is currently pending.

(d) A civil suit bearing O.S. No. 2916/2005 has been filed by R.K. Raju against Golf Links Software Park Private Limited and others before the Court of the City Civil Judge, Bangalore. The contention of the plaintiff is that he is the absolute owner of the property bearing Sy. Nos. 2/1, 2/2, 2/3, 2/4, 4, 5/1 and 5/2 situated at Challaghatta Village, Varthur Hobli, Bangalore East Taluk, Bangalore District and that the sale deed dated May 21,

2004 executed in favour of Golf Links Software Park Private Limited by the plaintiff is the outcome of fraud, coercion and threats. The plaintiff has prayed for cancellation of the sale deed dated May 21, 2004 and the power of attorney relating to the above property dated May 31, 2004. Further, the plaintiff has also prayed for grant of permanent injunction restraining Golf Links Software Park Private Limited from encumbering or alienating the property to any third party. In the alternative, the plaintiff has prayed that the balance sale consideration of Rs. 150,000,000 be paid to him by the defendant. Golf Links Software Park Private Limited in its written statement has contended that the sale deed executed in favour of Golf Links Software Park Private Limited by the plaintiff is true, legal and valid and that it is supported by full sale consideration. The matter is currently pending.

(e) A civil suit bearing O.S. No. 7441/2005 has been filed by Kamalamma and others against Nanjamma and others before the Court of the Additional City Civil Judge, Bangalore for partition and separate possession of the property bearing Sy. No. 7/4 situated at Challaghatta Village, Varthur Hobli, Bangalore District measuring 4.02 acres. Golf Links Software Park Private Limited is the nineteenth defendant in this suit. The contention of the plaintiffs is that the defendants two to four have executed a registered general power of attorney in respect of their one-fourth share in the suit property in favour of the fifth defendant without the knowledge of the plaintiffs who are also co-owners of the suit property. The fifth defendant has in turn executed seven sale deeds dated May 23, 1995 in favour of defendants six to eighteen in respect of the land measuring 3.02 acres out of the entire suit property and this has in turn has been sold to Golf Links Software Park Private Limited *vide* seven sale deeds dated September 26, 2003. Golf Links Software Park Private Limited in its written statement has contended that the plaintiffs have confirmed and ratified the execution of seven sale deeds dated September 26, 2003 by the defendants six to eighteen in favour of Golf Links Software Park Private Limited. The matter is currently pending.

(f) A civil suit bearing O.S. No. 5701/2006 has been filed by Sarala and others against Jayamma and others before the Court of City Civil Judge, Bangalore for partition of the property bearing Sy. No. 7/3 situated at Challaghatta Village, Varthur Hobli, Bangalore South Taluk, Bangalore District. Golf Links Software Park Private Limited is the fifth defendant in this suit. The contention of the plaintiffs is that they are the co-owners of the suit property and that the first three defendants sold the property to the fourth defendant without the knowledge of the plaintiffs and that the fourth defendant has in turn alienated the suit property in favour of the fifth defendant on September 7, 2004 without the knowledge of the plaintiffs. Golf Links Software Park Private Limited in its written statement has contended that the plaintiffs are not entitled to the suit property and that the sale deed dated September 7, 2004 executed by fourth defendant in favour of Golf Links Software Park Private Limited is legal and valid. The matter is currently pending.

(g) A civil suit bearing O.S. No. 7606/2006 has been filed by Ramu and others against V.S. Aravindan and others before the Court of the City Civil Judge, Bangalore for partition and separate possession of the property bearing Sy. No. 9 situated at Challaghatta Village, Varthur Hobli, Bangalore East Taluk, Bangalore District. Golf Links Software Park Private Limited is the second defendant in this suit. The contention of the plaintiffs is that the sale deed dated September 7, 2004 executed in favour of the first defendant and the sale deed dated May 26, 2004 executed in favour of the second defendant are not binding on the plaintiffs to the extent of the one-third of the plaintiffs' share in the suit property. Golf Links Software Park Private Limited in its written statement has contended that the plaintiffs have no right or title or interest in the suit property. An interim order was passed by the Court of Additional City Civil Judge, Bangalore on September 16, 2008. Accordingly, an interim application filed by the plaintiff seeking *ex-parte* order of temporary injunction restraining the defendants from creating any charge over the suit property was dismissed. The matter is currently pending.

(h) A civil suit bearing O.S. No. 10600/2006 has been filed by Chinappa and others against C. Muniyappa and others before the Court of the Additional City Civil Judge, Bangalore for partition and separate possession of their one-fifth share in the property bearing Sy. No. 7/1 situated at Challaghatta Village, Varthur Hobli, Bangalore South Taluk, Bangalore District. Golf Links Software Park Private Limited is the fifth defendant in this suit. The contention of the plaintiffs is that the suit property is the joint family property of the plaintiffs and the defendants one to three and that the fourth defendant including Golf Links Software Park Private Limited has no right, title or interest over the portions of the suit property to the extent of plaintiffs share in the suit property. Golf Links Software Park Private Limited in its written statement has contended that the plaintiffs and the first, second and third defendants do not have any interest, right or title in the suit property and that the suit is barred by limitation. The matter is currently pending.

(i) A civil suit bearing O.S. No. 777/2007 has been filed by Jyothi against Shardamma and others before the Court of the Civil Judge (Senior Division), Bangalore Rural District, Bangalore, for partition and separate possession of their one-sixteenth possession in the property bearing Sy. Nos. 7/1, 7/2 and 7/3 situated at Challaghatta Village, Varthur Hobli, Bangalore South Taluk, Bangalore District. Golf Links Software Park Private Limited is the eighth defendant in this suit. The contention of the plaintiff is that the defendants four to seven have colluded with each other and sold the suit property to Golf Links Software Park Private Limited. The plaintiff has prayed that the sale deed dated June 21, 2003 in favour of Golf Links Software Park Private Limited executed by the first seven defendants is not binding on the plaintiff. Golf Links Software Park Private Limited in its written statement has contended that the plaintiff is not entitled to any interest, right or title in the suit property. The matter is currently pending.

(j) A civil suit bearing O.S. No. 9531/2007 has been filed by Thimmakka against Nanjamma and others before the Court of the City Civil Judge, Bangalore for partition and separate possession of the plaintiff's half share of the properties bearing various Sy. Nos., situated at Challaghatta Village and Kodihalli Village, Varthur Hobli, Bangalore South Taluk, Bangalore District and B.T.M. Layout Stage I Phase, Bangalore. Golf Links Software Park Private Limited is the sixth defendant in this suit. The plaintiff has also prayed for the court to direct the defendants to put the plaintiff in possession of the plaintiff's half share of the suit property, a declaration that the alienations, encumbrances, and other interest created by the defendants 1 to 5 on defendants 6 to 12 and defendants 6 to 12 amongst themselves or in favour of other persons are not binding on the plaintiff, and for mesne profits. The contention of the plaintiff is that the alienation of the suit properties in favour of Golf Links Software Park Private Limited and the defendants nine to eleven was without the knowledge of the plaintiff. Golf Links Software Park Private Limited in its written statement has contended that the plaintiff is not entitled to any right, interest or title in the suit property and that the suit is barred by limitation. The matter is currently pending.

(k) A civil suit bearing O.S. No. 2069/2007 has been filed by Monica Blake and others against Anne Blake and others before the Court of the City Civil Judge (Senior Division), Bangalore Rural District, Bangalore, for partition and separate possession of the property bearing No. 697 and Sy. Nos. 50 and 51 situated at Pattandur Agrahara Village, K.R. Puram Hobli, Bangalore East Taluk, Bangalore District. Golf Links Software Park Private Limited is the seventh defendant in this suit. The contention of the plaintiffs is that they are in joint possession of the property and that defendants one to four although had right only to one-sixth share of the suit property, had sold the entire suit property to Golf Links Software Park Private Limited and the eighth defendant. The plaintiffs have prayed that the sale deeds dated October 16, 2004 executed by defendants one to four in favour of Golf Links Software Park Private Limited and the eighth defendant be cancelled. In the alternative, the plaintiffs have prayed for a declaration that they continue

to be absolute owners of four-sixth share in the suit property. Golf Links Software Park Private Limited and the eighth defendant have in their written statements contended that the plaintiffs have no right, interest or title in the suit property and that the suit is barred by limitation and *res judicata*. The matter is currently pending.

(l) A civil suit bearing O.S. No. 2081/2007 has been filed by Mutha and others against Chowdamma and others before the Court of the City Civil Judge, Bangalore for partition and separate possession of the property bearing Sy. No. 9 situated at Challaghatta Village, Varthur Hobli, Bangalore East Taluk, Bangalore District. Golf Links Software Park Private Limited is the twenty sixth defendant in this suit. The contention of the plaintiffs is that they are in joint possession of the land and that the defendants including Golf Links Software Park Private Limited have no title, interest or right in the suit property. Golf Links Software Park Private Limited in its written statement has contended that the plaintiffs do not have any interest, right or title in the suit property and that the suit is barred by limitation. The matter is currently pending.

(m) An application bearing A.A. No. 132/2007 has been filed by Munikrishnan and another against Golf Links Software Park Private Limited and another before the Court of the City Civil Judge, Bangalore. The petitioners have stated that the matter as to determination of breach of provisions of the joint development agreement dated September 20, 2004 entered into between the petitioners and respondents in respect of joint development of the property bearing Sy. No. 5, Challaghatta Village, Varthur Hobli, Bangalore South Taluk, Bangalore District is being referred to a three member arbitral tribunal. The petitioner has further stated that as Golf Links Software Park Private Limited is proceeding to encumber the complete additional constructed area in favour of third parties, the petitioner has approached the civil court under Section 9 of the Arbitration and Conciliation Act, 1996 seeking an order of injunction restraining Golf Links Software Park Private Limited or its agents or any one claiming under it from alienating, encumbering or creating charge of any nature with respect to certain additional portions constructed in the suit property for interim measures. The petitioners have contended that the respondents have not allotted the petitioner, their share in the additional constructed portion of the suit property in accordance with the joint development agreement. The respondents in their written statement of objections have contended that they have not undertaken any additional construction on the suit property and therefore, there is no cause of action under the present application. The matter is currently pending.

(n) A writ petition bearing W.P. No. 23202/ 2009 has been filed by Bruce Blake and others against the State of Karnataka and others before the High Court of Karnataka, Bangalore for issuance of writ of certiorari and mandamus. Golf Links Software Park Private Limited is the tenth respondent in this writ petition. The contention of the petitioners is that the order dated April 17, 2007 passed by the Assistant Commissioner, Bangalore North Sub-Division ordering deletion of their names from the proceedings in an appeal bearing R.A. No. 499/2006-7 (earlier No. 96/2004-05) is without jurisdiction. The said appeal was filed by Anne Blake and others against the order passed by the Tahasildar stating that the petitioners and Monique Blake have one-sixth share in the property bearing Sy. Nos. 50, 51, 17 and 18 situated at Pattandur Agrahara Village, K.R. Puram Hobli, Bangalore East Taluk. The petitioners have prayed for issuance of writ of certiorari quashing the order dated April 17, 2007 passed by the Assistant Commissioner and also for issuance of writ of mandamus directing the Assistant Commissioner to re-hear the matter after impleading the petitioners. The petitioners have also prayed for an interim order staying the operation of the said order. The matter is currently pending.

(o) A petition bearing CMP No. 234/2009 has been filed by Munikrishna against Golf Links Software Park Private Limited and others before the High Court of Karnataka, Bangalore seeking appointment of an arbitrator to adjudicate the dispute between the petitioners and

the respondents to the joint development agreement dated September 20, 2004 and supplementary agreement dated September 9, 2005. The contention of the petitioner is that Golf Links Software Park Private Limited has not given the petitioners their respective share in the additional construction being put on property bearing Sy. No. 15 situated at Challaghatta Village, Varthur Hobli, Bangalore South Taluk in violation of terms of the joint development agreement dated September 20, 2004 and supplementary agreement dated September 9, 2005. The petitioners have further contended that respondent three is not concurring with the petitioner in appointment of an arbitrator from their side to adjudicate the dispute. The petitioners have prayed for appointment of an arbitrator to adjudicate the dispute between the parties. The matter is currently pending.

(p) The Deputy Commissioner of Income Tax, Circle - 11(1), Bangalore *vide* assessment order dated December 31, 2009 has raised a demand against Golf Links Software Park Private Limited determining the loss at Rs. 18,220,828. Aggrieved by the said assessment order, Golf Links Software Park Private Limited has filed an appeal before the Commissioner of Income Tax (Appeals). The appellant has contended that the assessing officer erred in determining the loss at Rs. 18,220,828 as against Rs. 534,183,250 returned by the appellant. The appellant has further contended that the assessing officer has erred in assessing leasing of buildings as income from property and providing supporting service as income from other sources. The appellant has prayed for deletion of the disallowance of the loss of Rs. 515,962,422.

(q) The Office of the Deputy Commissioner of Income Tax, (Circle 11(3)), Bangalore, *vide* an assessment order dated December 31, 2007 for the assessment year 2005-06 had assessed the income of Rs. 41,363,045 as income from house property instead of as profits and gains from business or profession as disclosed by Golf Links Software Park Private Limited in its return. The order further did not allow expenses and charges aggregating to Rs. 74,172,222 and interest aggregating to Rs. 3,596,469. The order has further assessed a short term capital gain of Rs. 63,426,274 instead of a short term capital loss of Rs. 26,339,626 payable by Golf Links Software Park Private Limited for the assessment year 2005-06 and had issued a demand notice of the same date for the recovery of the said amount. Aggrieved by the notice of the assessing officer, Golf Links Software Park Private Limited had filed an appeal dated January 28, 2008 before the Commissioner of Income Tax (Appeals - I), Bangalore against all of the above findings. The Commissioner of Income Tax (Appeals - I), Bangalore through an order dated October 12, 2009 dismissed all findings except the assessment of the short term capital gain of Rs. 63,426,274. Aggrieved by the order of the Commissioner of Income Tax (Appeals - I), Bangalore, Golf Links Software Park Private Limited had filed an appeal dated January 19, 2010 before the ITAT, Bangalore. The matter is currently pending.

(r) The Office of the Deputy Commissioner of Income Tax, (Circle 11(3)), Bangalore, vide an assessment order dated December 31, 2008 for the assessment year 2006-07 had disallowed a loss of Rs. 206,323,187 as claimed by Golf Links Software Park Private Limited in its return. A notice of the same date seeking it to show cause why penalty proceedings should not be initiated was sent to it. Aggrieved by the order and the notice of the assessing officer, Golf Links Software Park Private Limited had filed an appeal dated January 29, 2009 before the Commissioner of Income Tax (Appeals - I), Bangalore against all of the above findings. The Commissioner of Income Tax (Appeals - I), Bangalore through an order dated October 13, 2009 partly allowed the order but confirmed the disallowance of Rs. 5,357,285. Aggrieved by the order of the Commissioner of Income Tax (Appeals - I), Bangalore, Golf Links Software Park Private Limited had filed an appeal dated January 19, 2010 before the ITAT, Bangalore. The matter is currently pending.

(s) Golf Links Software Park Private Limited has received assessment orders relating to assessment periods from April, 2005 to March, 2006 and from April 2006 to March 2007

requiring payments of amounts aggregating to Rs. 205,238 and Rs. 1,876,063 respectively. Aggrieved by the above orders, Golf Links Software Park Private Limited has filed appeals against each of the said orders after making the payments in protest. The matter is currently pending before the Joint Commissioner of Commercial Taxes (Appeals), Bangalore.

(ii) Cases filed by Golf Links Software Park Private Limited

Please refer to cases filed by DM Estates Private Limited.

Kingsway Dynasty International

(i) Cases filed against Kingsway Dynasty International

Nil

(ii) Cases filed by Kingsway Dynasty International

Nil

Manyata Promoters Private Limited

(i) Cases filed against Manyata Promoters Private Limited

(a) A writ petition bearing W.P. No. 572/2010 has been filed by Jaikumar and others against the State of Karnataka and others before the High Court of Karnataka, Bangalore. Manyata Promoters Private Limited is the fourth respondent in the writ petition. The petitioner has contended that there are several irregularities in the acquisition proceedings in respect of the land admeasuring 3 acres 15 guntas owned by the petitioner in Sy. No. 58/1 and 59/1 of Thanisandra Village of K.R.Puram Hobli, Bangalore. The petitioner has sought an order quashing the final notification of acquisition of the property so far as it relates to the concerned land alleged to be owned by the petitioner which is proposed to be acquired by the State of Karnataka and to pass an interim order preventing the dispossession of the property during the pendency of the writ petition. The matter is currently pending.

(b) A writ petition bearing WP No. 22916/2009 has been filed by A. Janardhana Shetty against the State of Karnataka and certain others including Manyata Promoters Private Limited before the High Court of Karnataka. The petitioner has alleged several irregularities in the notification for acquisition of certain property admeasuring 35½ guntas in Sy. No. 114/2 of Kasaba Hobli, Bangalore belonging to the petitioner and also alleging that Manyata Promoters Private Limited has been interfering with the peaceful possession of his property. The petitioner has sought an order quashing the final notification of acquisition of the property so far as it relates to the concerned land alleged to be owned by the petitioner which is proposed to be acquired and to grant all consequential reliefs thereupon. The matter is currently pending.

(c) A writ petition bearing 10999/08 has been filed by Vikas Telecom Limited and six other parties including Manyata Promoters Private Limited against the State of Karnataka and certain others before the High Court of Karnataka. The petitioners have claimed that, by virtue of the provisions of the Special Economic Zones, 2005, they are exempt from payment of customs duties or excise duties in respect of goods or services procured or imported to carry on the authorized operations. The petitioners have claimed that instructions dated May 23, 2008 and June 30, 2008 received from the government intimating the petitioners about the levy of export duty of goods within the territory of India on which VAT has already been levied are illegal and unconstitutional. The

petitioners have sought an order quashing the said instructions from the government and an interim order to stay the operations of the said instructions. The matter is currently pending.

(d) The Deputy Commissioner of Income Tax, Central Circle, Bangalore *vide* assessment order dated December 29, 2009 has raised a demand of Rs.746,956 against Manyata Promoters Private Limited by applying Rule 8D of the Income Tax Rules, 1962 ("**IT Rules**") in relation to the investment of Manyata Promoters Private Limited in Reliance Equity Fund. Aggrieved by the said order Manyata Promoters Private Limited has filed an appeal before the CIT (Appeals). The appellant has contended that the assessing officer has erred in law by adding Rs.746,956 to the amount to be disallowed under Section 14 A of the Income Tax Act, 1961 ("**IT Act**") and that the only expenditure attributable to the exempted income was the interest on the borrowal in relation to investment in the Reliance Equity Fund which was quantified at Rs. 50,976. The appellant has further contended that Rule 8D of the IT Rules is applicable only to transactions entered into after March 24, 2008 and that the units of Reliance Equity Fund in which Manyata Promoters Private Limited had invested was sold on January 1, 2008. The appellant has prayed for reversal of the demand for Rs. 746,956. The matter is currently pending.

(ii) Cases filed by Manyata Promoters Private Limited

Nil

MK Embassy Land Sdn Bhd

(i) Cases filed against MK Embassy Land Sdn Bhd

Nil

(ii) Cases filed by MK Embassy Land Sdn Bhd

Nil

MKN Embassy Development Sdn Bhd

(i) Cases filed against MKN Embassy Development Sdn Bhd

Nil

(ii) Cases filed by MKN Embassy Development Sdn Bhd

Nil

RGE Constructions and Development Private Limited

(i) Cases filed against RGE Constructions and Development Private Limited

Nil

(ii) Cases filed by RGE Constructions and Development Private Limited

Nil

(iii) Cases in relation to land held by RGE Constructions and Development Private Limited

Appeal bearing No. S.A. 17 and 18/2004, has been filed by C.P. Velusamy, the promoter of Tamilnad Hospital Limited (which was wound up in 2004) to set aside the sale of property belonging to Tamilnad Hospital Limited by ICICI Bank Limited, who exercised their rights under the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest (Second Ordinance), 2002, in the year 2003. The matter is currently pending.

Span Ventures Private Limited

(i) Cases filed against Span Ventures Private Limited

Nil

(ii) Cases filed by Span Ventures Private Limited

Nil

Star Pyramid

(i) Cases filed against Star Pyramid

Nil

(ii) Cases filed by Star Pyramid

Nil

Umbel Properties Private Limited

(i) Cases filed against Umbel Properties Private Limited

A civil suit bearing OS. No. 4858 of 2003 dated July 10, 2003 has been filed against several parties including Umbel Properties Private Limited by K.C. Chandrashekar Raju in the Court of the Additional City Civil Judge. The plaintiff had filed the suit for specific enforcement of the agreement of sale dated May 5, 1994 directing defendants 1 to 3 to execute the sale deed in favour of the plaintiff and his nominee defendants No. 4 to 15, which includes Umbel Properties Private Limited and for permanent injunction against the first defendant or anybody claiming rights through him from interfering with the plaintiffs possession of the said schedule property. The Court of the Additional City Civil Judge dismissed the appeal with costs through its judgement and decree dated October 31, 2009. Aggrieved by the said judgment and decree, K.C. Chandrashekar Raju has filed an appeal bearing No. 1210 of 2009 before the High Court of Karnataka. The matter is currently pending.

(ii) Cases filed by Umbel Properties Private Limited

Nil

Other Associate Entities

Embassy Real Estates Properties and Holdings Private Limited

(i) Cases filed against Embassy Real Estates Properties and Holdings Private Limited

The Office of the Income Tax Officer, (Ward 7 (1)), Kolkata, *vide* an assessment order dated December 29, 2009 had assessed an amount of Rs. 432,757 payable by Embassy Real Estates Properties and Holdings Private Limited for the assessment year 2004-05 and had issued a demand

notice of the same date for the recovery of the said amount. Embassy Real Estates Properties and Holdings Private Limited has filed a petition for stay of penalty proceedings dated February 9, 2010 before the Commissioner of Income Tax (Appeals) VIII, Kolkata. The matter is currently pending.

(ii) Cases filed by Embassy Real Estates Properties and Holdings Private Limited

Nil

Trafalgar Estate and Properties Private Limited

(i) Cases filed against Trafalgar Estate and Properties Private Limited

Nil

(ii) Cases filed by Trafalgar Estate and Properties Private Limited

Nil

Worldlodge Limited

(i) Cases filed against Worldlodge Limited

Nil

(ii) Cases filed by Worldlodge Limited

Nil

Cases involving our Partnership Firms

Embassy – ANL Consortium

(i) Cases filed against Embassy – ANL Consortium

Nil

(ii) Cases filed by Embassy – ANL Consortium

Nil

Magrath Property Developers

(i) Cases filed against Magrath Property Developers

A complaint bearing No. 1068/2009 has been filed by A.S. Veeranna before the District Consumer Disputes Redressal Forum, Bangalore on June 22, 2009 against Magrath Property Developers and Embassy group in relation to handing over of possession of the property situated at Third Floor, No. 533, Embassy Habitat, No. 59, Palace Road, Bangalore. The complainant contends that Magrath Property Developers was required to construct and hand over possession of the above-mentioned property under an agreement for sale and transfer of right and a construction agreement, both dated August 18, 2005. The complainant further contends that he had paid a sum of Rs. 7,460,834 and even after completion of the construction of the suit property the same was not handed over to the complainant. The complainant seeks immediate completion of pending works, delivery of the completion certificate, handing over of possession of the suit property, a sum of Rs. 1,886,347 as compensation along with costs. Magrath Property Developers has filed a

response claiming that the complainant would not be a consumer under the Consumer Protection Act, 1986, that he had defaulted on payments and that they were yet to receive occupancy certificates from BBMP. The District Consumer Disputes Redressal Forum, Bangalore had, vide its order dated February 24, 2010 decided the matter in favour of the complainant. Aggrieved by the order, Magrath Property Developers have filed an appeal bearing No. 1259/2010 before the State Consumer Forum. The matter is currently pending.

(ii) Cases filed by Magrath Property Developers

Nil

Swire Properties

(i) Cases filed against Swire Properties

(a) A civil suit bearing O.S. No. 16217/2000 has been filed by Mariswamappa against P.A. Abubecker and others before the Court of the Additional City Civil Judge, Bangalore. Swire Properties is the fourteenth defendant in this suit. The contention of the plaintiff is that he is the owner of the property bearing Sy. No. 61/1 situated at Challaghatta Village, Varthur Hobli, Bangalore Taluk, Bangalore admeasuring 1.125 acres including 0.05 acres of kharab land and that the defendants one to six have sold the suit property to the defendants seven to twelve without the plaintiff's knowledge. The plaintiff has prayed for injunction restraining the defendants from interfering with the peaceful possession and enjoyment of the suit property. The plaintiff has also prayed for a declaration that he is the absolute owner of the suit property and that all the sale deeds executed by the defendants are null and void and for the court to put the plaintiff in possession of the suit property. Swire Properties in its written statement has contended that they are in actual physical possession and enjoyment of the suit property and that the plaintiff is not entitled to the suit property. The matter is currently pending.

(ii) Cases filed by Swire Properties

Nil

Other Development Entities

Joyful Gateway Sdn Bhd

(i) Cases filed against Joyful Gateway Sdn Bhd

Nil

(ii) Cases filed by Joyful Gateway Sdn Bhd

Nil

Cases involving our Group Entities

All Square Realtors India Private Limited

(i) Cases filed against All Square Realtors India Private Limited

Nil

(ii) Cases filed by All Square Realtors India Private Limited

Nil

Anko Construction Private Limited

(i) Cases filed against Anko Construction Private Limited

Nil

(ii) Cases filed by Anko Construction Private Limited

Nil

Aquariuz FZ-LLC, Dubai

(i) Cases filed against Aquariuz FZ-LLC

Nil

(ii) Cases filed by Aquariuz FZ-LLC

Nil

Babbler Marketing Private Limited

(i) Cases filed against Babbler Marketing Private Limited

Nil

(ii) Cases filed by Babbler Marketing Private Limited

Nil

Book and Marks Hospitality Private Limited

(i) Cases filed against Book and Marks Hospitality Private Limited

Nil

(ii) Cases filed by Book and Marks Hospitality Private Limited

Nil

Cosmos Construction Consultants Private Limited

(i) Cases filed against Cosmos Construction Consultants Private Limited

Nil

(ii) Cases filed by Cosmos Construction Consultants Private Limited

Nil

Ditrita Developers Private Limited

(i) Cases filed against Ditrita Developers Private Limited

Nil

(ii) Cases filed by Ditrita Developers Private Limited

Nil

DSRK Holdings (Chennai) Private Limited

(i) Cases filed against DSRK Holdings (Chennai) Private Limited

Dynasty Stockholdings Private Limited and Embassy Shelters Private Limited have filed an applications bearing No. 1109 & 1110 before the High Court of Madras against Silva Limited, Mauritius and several others including DSRK Holdings (Chennai) Private Limited under the provisions of the Arbitration & Conciliation Act, 1996 seeking to prevent the shares held by the first respondent in DSRK Holdings (Chennai) Private Limited from being transferred to a third party without the consent of the applicants in alleged violation of a joint venture agreement between the applicants and first respondent dated April 12, 2007. The matter is currently pending.

(ii) Cases filed by DSRK Holdings (Chennai) Private Limited

Nil

(iii) Cases in relation to land held by DSRK Holdings (Chennai) Private Limited

A civil suit bearing O.S. No. 811/2004 has been filed by Marg Construction Limited against South Indian Corporation (Agencies) Limited and others with respect to an alleged contract to sell 46.92 acres in Sholinganallur. The plaintiff has sought a specific relief for enforcement of the agreements entered in to between the plaintiff and South Indian Corporation (Agencies) Limited and its managing director on July 27, 2004 and September 2, 2004 and an injunction against the defendants from creating any encumbrance on the premises and from encashing fixed deposits of Rs. 2 crore maintained as advance consideration for the sale. DSRK Holdings (Chennai) Private Limited has purchased the above disputed property. The matter is currently pending.

Dynasty Capital

(i) Cases filed against Dynasty Capital

Nil

(ii) Cases filed by Dynasty Capital

Nil

Dynasty Holdings Private Limited

(i) Cases filed against Dynasty Holdings Private Limited

Nil

(ii) Cases filed by Dynasty Holdings Private Limited

(a) A civil suit bearing No. 119/2002 by Dynasty Holdings (Private) Limited before the City Civil Court, Bangalore against Vijaya Bank Limited, a tenant of the premises bearing No. 134/1, Residency Road, Bangalore. Dynasty Holdings (Private) Limited has alleged that Vijaya Bank Limited has made certain structural alterations to the building through installation of an ATM and has made an application for permanent injunction to direct the bank to remove the aforesaid

construction and to restrain the bank from undertaking any further construction or alteration to the suit property. The Civil Court *vide* order dated November 19, 2007 decreed the suit in favour of Dynasty Holdings (Private) Limited. Aggrieved by the said order Vijaya Bank Limited filed an appeal RFA 230/2008 before the High Court of Karnataka to set aside the order. The matter is currently pending.

(b) A civil suit bearing OS No. 4727/2000 was filed by Dynasty Holdings (Private) Limited before the City Civil Court, Bangalore against Vijaya Bank Limited, a tenant of the premises bearing No. 134/1, Residency Road, Bangalore. Dynasty Holdings (Private) Limited alleged that the lease had expired and Vijaya Bank are liable to be evicted from the said premises, return possession of the property and pay damages including mesne profits. It was determined by the Civil Court, through its order dated April 4, 2007 that Dynasty Holdings (Private) Limited is the owner of the property and that they were entitled to vacant possession and directed Vijaya Bank Limited to deliver vacant possession within 90 days of the order. Aggrieved by the order, Vijaya Bank Limited filed an appeal bearing No.1438/2007 before the High Court of Karnataka. The High Court, through its order dated November 20, 2008 upheld the order of the Civil Court but decided to afford Vijaya Bank sufficient time to hand over vacant possession till December 31, 2009, subject to payment of damages at the rate of Rs. 90 per sq. ft. from December 1, 2008 till the date of handing over possession. Aggrieved by the order, Vijaya Bank Limited filed a special leave petition before the Supreme Court seeking to have the suit dismissed. The matter is currently pending

Dynasty Properties Private Limited

(i) Cases filed against Dynasty Properties Private Limited

(a) A civil suit bearing O.S. No. 4136/2004 has been filed by Bagmane Developers Private Limited against Embassy Constructions and Development Private Limited and Dynasty Properties Private Limited before the Court of Additional City Civil Judge, Bangalore for an injunction with respect to a private road situated at Byrasandra Village Krishnarajapuram Hobli, Bangalore South Taluk, Bangalore District. The contention of the plaintiff is that the plaintiff is the owner of the entire suit property and that the defendants were interfering with plaintiff's peaceful possession of the suit property. The plaintiff has prayed for permanent injunction restraining the defendants from interfering with the plaintiff's peaceful possession of the suit property. The defendants in their written statement have contended that the suit property is a public road and that the plaintiff is not the owner of the suit property. The matter is currently pending.

(b) A civil suit bearing O.S. No. 3347/2005 has been filed by K. Jayaram against Dynasty Properties Private Limited before the Court of the City Civil Judge, Bangalore for an injunction in relation to the property bearing Sy. No. 110 situated at Byrasandra and Suddagunte Paiya, K.R Puram Hobli, Bangalore South Taluk, Bangalore District admeasuring 0.23 acres. The contention of the plaintiff is that the defendants are trying to set up a compound wall around the suit property to the extent of 0.23 acres owned by the plaintiff. The plaintiff has prayed for grant of a permanent injunction restraining the defendants from interfering with the peaceful possession of the suit property and from setting up any construction over the suit property. The defendants in their written statement have contended that the plaintiff has no right, interest or title over the suit property and that the defendants were in possession of the suit property since October 8, 2001. An interim order was passed by the Court of Additional City Civil Judge, Bangalore on this matter on October 26, 2005. Accordingly, the interim application filed by the plaintiff seeking interim injunction to restrain the defendants from putting up compound wall over the suit property was dismissed. The matter is currently pending.

(c) A writ petition bearing W.P. No. 15768/2005 has been filed by Krishnappa Garden Residents Welfare Association and others against Bangalore Mahanagara Palike and others before the High Court of Karnataka, Bangalore seeking a writ of certiorari to quash certain plans sanctioned in favour of Dynasty Properties Private Limited. Dynasty Properties Private Limited is the fourth respondent in this writ petition. The contention of the petitioners is that the plan dated April 29, 2002 and the modified plan dated May 24, 2002 granted to Dynasty Properties Private Limited in respect of the construction over the property bearing No. 66, C.V. Raman Nagar, Bangalore are illegal and liable to be quashed. The petitioners have prayed for issuance of a writ of certiorari to quash the plan dated April 29, 2002 and the modified plan dated May 24, 2002 sanctioned in favour of Dynasty Properties Private Limited. The petitioners have also prayed for initiation of action against Dynasty Properties Private Limited for obtaining the plan by misrepresentation and fraud. Further, the petitioners have prayed for an interim order directing the respondents one to three not to issue occupancy certificates to Dynasty Properties Private Limited and directing Dynasty Properties Private Limited not to proceed with further construction on the described property. Dynasty Properties Private Limited in its statement of objections has contended that the modified plan is dated May 25, 2002 and not May 24, 2002 and that the plan and the modified plan sanctioned on April 29, 2002 and May 25, 2002 respectively are legal. The matter is currently pending and has been posted for final hearing.

(ii) Cases filed by Dynasty Properties Private Limited

(a) A civil suit bearing O.S. No. 4404/2004 has been filed by Dynasty Properties Private Limited against Bagmane Developers Private Limited and others before the Court of City Civil Judge, Bangalore. The contention of the plaintiff is that the defendants forcibly tried to dispossess the plaintiff from the peaceful occupation and enjoyment of the property bearing No. 66/1, C.V. Raman Nagar, Bangalore and also from the use of the public road on the northern boundary of the described property. The plaintiff has prayed for a declaration that the road situated on the northern boundary of the described property is a public road. The plaintiff has further prayed for the issuance of a permanent injunction restraining the defendants from interfering in any manner with the plaintiff's peaceful possession of the described property and right to use the road. The plaintiff has also sought permanent injunction restraining the defendant from setting up any construction, wall or obstacles on the road situated on the northern boundary of the described boundary. The defendants in their written statement have contended that they have not interfered with the plaintiff's peaceful possession of the described land and that the plaintiff has interfered with the defendant's possession of the private road by treating the same as a public road. The matter is currently pending.

(b) A civil suit bearing O.S. No. 17054/2005 has been filed by Dynasty Properties Private Limited against Bagmane Developers Private Limited before the Court of City Civil Judge, Bangalore for declaration and injunction. The contention of the plaintiff is that the digging work undertaken by the defendant with *mala fide* intentions in the portion of property belonging to the defendant, is causing damage to the property owned by the plaintiff which is only fifteen feet away from the property belonging to the defendant. The plaintiff has prayed for a permanent injunction restraining the defendant from continuing with their digging work on the portion of its property which is fifteen feet away from the eastern boundary of the plaintiff's property. The plaintiff has further prayed for a declaration as to entitlement of the plaintiff to vertical and lateral support as and by easement for the eastern side of its property from the defendant's property. The defendant in its written statement has contended that the construction activities undertaken by it has not affected the

property owned by plaintiff and that the defendant has left fifteen feet set back as required under the building bye laws. The matter is currently pending.

(c) A civil suit bearing O.S. No. 17142/2005 has been filed by Dynasty Properties Private Limited against Jayaram K. before the Court of City Civil Judge, Bangalore for declaration and injunction. The contention of the plaintiff is that the defendant blocked the only access to the property owned by the plaintiff, bearing No. 66/2 situated at C.V. Raman Nagar, Bangalore from the southern side and that the said access to the described property is a public road and that the defendant has no right, interest, or title over the scheduled property. The plaintiff has prayed for a declaration that the road lying to the southern side of the described property is a public road. The plaintiff has also prayed for a permanent injunction restraining the defendant from blocking the only access to the described property from the southern side of the described property. An interim order was passed by the Court of Additional City Civil Judge, Bangalore on this matter on June 12, 2006 whereby the interim application filed by the plaintiff seeking interim injunction to restrain the defendant from blocking the access to the plaintiff's property was dismissed and the interlocutory application filed by the defendant seeking to vacate the ad-interim order passed in respect of the said interlocutory application filed by the plaintiff was vacated. The defendant in his written statement has contended that the road is primarily for the use of residents of Chetan Nagar and Krishnappa Garden and that the plaintiff does not have the legal sanction to use the road exclusively for its own purposes. Furthermore, the defendant has contended that the obstruction to the illegal use of land by the plaintiff was from the residents of the locality and not from the defendant. The matter is currently pending.

(d) A civil suit bearing O.S. No. 1542/2006 has been filed by Dynasty Properties Private Limited against Jayaram K. before the Court of City Civil Judge, Bangalore for declaration and injunction. The contention of the plaintiff is that the plaintiff is the owner of the property bearing Sy. No. 110 situated at Byrasandra Village, K.R.Puram Hobli, Bangalore South Taluk, Bangalore District and that the defendant has encroached upon the suit property. Further, the plaintiff has also stated that the unlawful possession of the suit property by the defendant has resulted in severe losses to the plaintiff and damage to the suit property. The plaintiff has prayed for declaration that plaintiff is the owner of the suit property, a direction to the defendant his men, officers, servants, agents, contractors, anyone claiming/ representing them or under him to vacate and put the plaintiff in full, free and physical possession of the suit property, and furthermore, for grant of a permanent injunction restraining the defendant from altering the nature of the suit property or undertaking any construction over the suit property. The defendant in his written statement has contended that he is the absolute owner of the suit property and that the plaintiff has no right over the suit property. The matter is currently pending.

Embassy Constructions and Development Private Limited

(i) Cases filed against Embassy Constructions and Development Private Limited

A civil suit bearing O.S. No. 4516/1998 has been filed by Raj Investments against Embassy Constructions and Development Private Limited before the Court of the City Civil Judge, Bangalore for the eviction of the defendant from the property bearing No. 303 and 304, 3rd Floor, Embassy Chambers, Grant Road, Bangalore. The contention of the plaintiff is that the defendant has committed several defaults in payment of rent amounting to a sum of Rs. 400,000. The plaintiff has prayed for vacant possession of the suit property and the payment of arrears of rent. Embassy Constructions and Development Private Limited in its written statement has contended that the rent for the suit property was being adjusted by Embassy Constructions and Development

Private Limited towards the repayment of loan that the proprietor of the plaintiff has taken from Embassy Constructions and Development Private Limited. The matter is currently pending.

(ii) Cases filed by Embassy Constructions and Development Private Limited

Nil

Embassy Housing Finance and Developments Private Limited

(i) Cases filed against Embassy Housing Finance and Developments Private Limited

Nil

(ii) Cases filed by Embassy Housing Finance and Developments Private Limited

Nil

Embassy Knowledge Infrastructure Projects Private Limited

(i) Cases filed against Embassy Knowledge Infrastructure Projects Private Limited

Nil

(ii) Cases filed by Embassy Knowledge Infrastructure Projects Private Limited

Nil

Embassy Services Private Limited

(i) Cases filed against Embassy Services Private Limited

Nil

(ii) Cases filed by Embassy Services Private Limited

Nil

Embassy Shelters Private Limited

(i) Cases filed against Embassy Shelters Private Limited

Nil

(ii) Cases filed by Embassy Shelters Private Limited

A civil suit bearing O.S. No. 1345/2008 has been filed by Embassy Shelters Private Limited against Embassy Projects and Infrastructures before the Court of City Civil Judge, Bangalore in relation to infringement of the trademark of the plaintiff. The plaintiff has contended that the defendant, a registered partnership firm by using the name and style, 'Embassy Projects and Infrastructure' for construction of a residential site is trying to pass off its products and services as that of the plaintiff by use of the trademark 'Embassy'. The plaintiff has contended that it is the owner of the trade mark 'Embassy' and the 'Embassy Triangular Logo' and that the action of the defendant amounts to infringement of its intellectual properties. The plaintiff has prayed for a decree of permanent injunction restraining the defendant from using in any manner the trade mark 'Embassy' and 'Embassy Triangular Logo' and for surrender of brochures, advertising materials etc. of defendant bearing the plaintiff's trademark. The defendant in its written statement has

contended that there is no registered partnership firm under the name and style of 'Embassy Projects and Infrastructures'. The matter was dismissed by the Court of City Civil Judge, Bangalore through its order dated June 18, 2009 for default and non-prosecution as Embassy Shelters Private Limited had failed to appear before the court on the date of hearing. Embassy Shelters Private Limited has filed a miscellaneous petition bearing No. 577/2009 before the Court of City Civil Judge, Bangalore to restore the matter contending that their non-appearance before the court was a result of a clerical error of the appearing advocate. The miscellaneous petition is currently pending.

Facade and Glazing Technologies Private Limited

(i) Cases filed against Facade and Glazing Technologies Private Limited

Nil

(ii) Cases filed by Facade and Glazing Technologies Private Limited

Nil

Golf Link-Embassy Business Park Management Services Private Limited

(i) Cases filed against Golf Link-Embassy Business Park Management Services Private Limited

The Office of the Commissioner of Service Tax, Bangalore has through a show cause notice bearing No. 9136/2009 dated October 19, 2009 required Golf Links Software Park Private Limited to show cause why service tax amounting to Rs. 42,891,479 and additional interest and penalty should not be demanded from them. Golf Links Software Park Private Limited filed its response to the show cause notice on May 6, 2010 indicating that in light of their entitlement to claim CENVAT credit, no such tax is payable and have further sought an opportunity to be heard in person and make further submissions orally. Golf Links Software Park Private Limited is yet to receive any further communication from the Commissioner of Service Tax, Bangalore.

(ii) Cases filed by Golf Link-Embassy Business Park Management Services Private Limited

Nil

Infantry Holdings Private Limited

(i) Cases filed against Infantry Holdings Private Limited

Nil

(ii) Cases filed by Infantry Holdings Private Limited

Nil

JEM Cements Private Limited

(i) Cases filed against JEM Cements Private Limited

Nil

(ii) Cases filed by JEM Cements Private Limited

Nil

Kingsway Travel Agencies Private Limited

(i) Cases filed against Kingsway Travel Agencies Private Limited

Nil

(ii) Cases filed by Kingsway Travel Agencies Private Limited

*Nil***]**

LJ-Victoria Properties Private Limited

(i) Cases filed against LJ-Victoria Properties Private Limited

Nil

(ii) Cases filed by LJ-Victoria Properties Private Limited

Nil

Manyata Builders Private Limited

(i) Cases filed against Manyata Builders Private Limited

Nil

(ii) Cases filed by Manyata Builders Private Limited

Nil

Manyata Projects Private Limited

(i) Cases filed against Manyata Projects Private Limited

Nil

(ii) Cases filed by Manyata Projects Private Limited

Nil

Manyata Residential Promoters Private Limited

(i) Cases filed against Manyata Residential Promoters Private Limited

Nil

(ii) Cases filed by Manyata Residential Promoters Private Limited

Nil

M.D. Realtors Private Limited

(i) Cases filed against M.D. Realtors Private Limited

(a) The Office of the Income Tax Officer, (Ward 12 (1)), Bangalore, *vide* an assessment order dated December 18, 2009 had assessed an amount of Rs. 788,419 payable by MD Realtors Private Limited for the assessment year 2007-08 and had issued a demand notice

of the same date for the recovery of the said amount. Aggrieved by the notice of the assessing officer, M.D. Realtors Private Limited has filed an appeal dated January 27, 2010 before the Commissioner of Income Tax (Appeals). The matter is currently pending.

(b) The Office of the Income Tax Officer, (Ward 12 (1)), Bangalore, *vide* an assessment order dated December 24, 2008 had assessed an amount of Rs. 60,210,706 payable by MD Realtors Private Limited for the assessment year 2006-07 and had issued a demand notice of the same date for the recovery of the said amount. Aggrieved by the notice of the assessing officer, M.D. Realtors Private Limited has filed an appeal dated January 29, 2010 before the Commissioner of Income Tax (Appeals). The matter is currently pending.

(ii) Cases filed by M.D. Realtors Private Limited

Nil

More-Finanshare Investments Private Limited

(i) Cases filed against More-Finanshare Investments Private Limited

Nil

(ii) Cases filed by More-Finanshare Investments Private Limited

Nil

Nam Investments Private Limited

(i) Cases filed against Nam Investments Private Limited

Nil

(ii) Cases filed by Nam Investments Private Limited

Nil

Oakwood Developers Private Limited

(i) Cases filed against Oakwood Developers Private Limited

Nil

(ii) Cases filed by Oakwood Developers Private Limited

Nil

Oasis Home Holdings Private Limited

(i) Cases filed against Oasis Home Holdings Private Limited

Nil

(ii) Cases filed by Oasis Home Holdings Private Limited

Nil

Pet Properties and Constructions Private Limited

(i) Cases filed against Pet Properties and Constructions Private Limited

Nil

(ii) Cases filed by Pet Properties and Constructions Private Limited

Nil

PolyWood Properties Private Limited

(i) Cases filed against PolyWood Properties Private Limited

Nil

(ii) Cases filed by PolyWood Properties Private Limited

Nil

Raffles Square Development Corporation Private Limited

(i) Cases filed against Raffles Square Development Corporation Private Limited

Nil

(ii) Cases filed by Raffles Square Development Corporation Private Limited

Nil

RG-Lakeside Properties Private Limited

(i) Cases filed against RG-Lakeside Properties Private Limited

Nil

(ii) Cases filed by RG-Lakeside Properties Private Limited

Nil

Solomon David Holdings Private Limited

(i) Cases filed against Solomon David Holdings Private Limited

(a) A civil suit bearing No. 3911/2004 has been filed by H.M. Narayana Reddy against G.M. Singh Ninrajog and another before the Court of the City Civil Judge, Bangalore for injunction in relation to the property bearing No. 42, Challaghatta, Yamlur Post, Bangalore and a house constructed thereon. Solomon David Holdings Private Limited is the second defendant in this suit. The contention of the plaintiff is that the plaintiff is residing at the suit property and that the first defendant has no right to dispossess the plaintiff from the suit property until the first defendant pays the money he owes to the plaintiff in connection with the construction and maintenance of the house over the suit property. Further, the plaintiff has contended that the first defendant had sold the suit property to Solomon David Holdings Private Limited without the plaintiff's knowledge or consent. The plaintiff has prayed for

grant of permanent injunction restraining the Solomon David Holdings Private Limited from interfering with the plaintiff's lawful possession of the suit property. Solomon David Holdings Private Limited in its written statement has contended that the plaintiff being a mere licensee of the suit property, the first defendant has no right over the suit property after the suit property has been sold to Solomon David Holdings Private Limited. The matter is currently pending.

(b) A civil suit bearing O.S. No. 16680/2004 has been filed by Munilakshmi and another against Nagaraj and others before the Court of Additional City Civil Judge, Bangalore City, Bangalore for partition and separate possession of the property bearing Sy. Nos. 72 and 73/2 situated at Challaghatta Village, Varthur Hobli, Bangalore South Taluk, Bangalore District. Solomon David Holdings Private Limited is the fourth defendant in this suit. The contention of the plaintiffs is that the suit property is in the joint possession of the plaintiffs and the first defendant and that the defendants one to two have sold the suit property to Solomon David Holdings Private Limited without the knowledge of the plaintiffs. The plaintiffs have prayed for a declaration that the sale deeds executed by the defendants one to two in favour of Solomon David Holdings Private Limited are not binding on the plaintiffs to the extent of their 1/6th share in the suit property, a preliminary decree for partition of the plaint schedule property as per the share of the plaintiffs, partition in terms of the preliminary decree by metes and bounds, and for separate possession of their respective shares. Solomon David Holdings, in its written statement has contended that the plaintiffs have no right, interest or title over the suit property. The matter is currently pending and has been posted for hearing of the interim application.

(c) A civil suit bearing O.S. No. 16681/2004 has been filed by Muniyamma and others against Muniyamma and others before the Court of the Additional City Civil Judge, Bangalore City for partition and separate possession of the property bearing Sy. No. 71/2A situated at Challaghatta Village, Varthur Hobli, Bangalore South Taluk, Bangalore District admeasuring 0.2 acres. Solomon David Holdings Private Limited is the twelfth defendant in this suit. The contention of the plaintiffs is that the suit property is in the joint possession of the plaintiffs and the defendants one to three and that the defendants two to three have sold the suit property to Solomon David Holdings Private Limited without the knowledge and consent of the plaintiffs. The plaintiffs have prayed for a declaration that the Plaintiffs are entitled to 1/6 share each in the plaint schedule property, a preliminary decree of partition of the schedule property as per the shares of the plaintiffs, effecting partition in terms of the preliminary decree by metes and bounds, for separate possession of the respective areas of the Plaintiffs, and a declaration that the sale deeds dated August 21, 1995 executed by the defendants two to three in favour of Solomon David Holdings Private Limited are not binding on the plaintiffs to the extent of their 1/6th share in the suit property. Solomon David Holdings, in its written statement has contended that the plaintiffs are not in possession of the suit property and have no right, interest or title over the suit property. The plaintiffs have also filed an interlocutory application for a temporary injunction restraining Solomon David Holdings Private Limited, its employees and its agents from interfering with the plaintiff's peaceful possession and enjoyment of the suit property. The matter is currently pending and has been posted for hearing of the interim application.

(d) A civil suit bearing O.S. No. 8313/2005 has been filed by Lakshmamma and another against Venkataramamappa and others before the Court of the City Civil Judge, Bangalore for partition and separate share of the property bearing Sy. No. 70/15 situated at Challaghatta Village, Varthur Hobli, Bangalore East Taluk, Bangalore District. Solomon David Holdings Private Limited is the fifth defendant in this suit. The contention of the plaintiffs is that the plaintiffs are in joint possession of the suit property and that the defendants one to three have sold the suit property to Solomon

David Holdings Private Limited without the knowledge and consent of the plaintiffs. The plaintiffs have prayed for a declaration that the sale deeds dated October 18, 1995 and October 27, 1995 executed by defendants one to three in favour of Solomon David Holdings Private Limited are not binding on the plaintiffs to the extent of their share in the suit property. Solomon David Holdings Private Limited in its written statement has contended that the plaintiffs have no right, title or interest over the suit property, that the suit is barred by limitation, and that Solomon David Holdings Private Limited has acquired the legitimate title over the suit property through registered sale deeds. The matter is currently pending.

(e) A civil suit bearing No. 4085/2006 has been filed by C.K. Babu against C.K. Ramesh and others before the Court of City Civil Judge, Bangalore for injunction in respect of the property bearing Sy. No. 70/15 situated at Challaghatta Village, Varthur Hobli, Bangalore South Taluk admeasuring 0.12 guntas with 1 gunta of kharab land. Solomon David Holdings Private Limited is the third defendant in this suit. The contention of the plaintiff is that he is the absolute owner of the suit property and that the defendants are trying to put up a compound wall and shed over the suit property. The plaintiff has prayed for grant of permanent injunction restraining the defendants from interfering or dispossessing with the peaceful enjoyment of the suit property by the plaintiff and from putting up any construction over the suit property. Solomon David Holdings Private Limited in its written statement has contended that the plaintiff is not in possession of the suit property and that it is they who are in the peaceful possession and enjoyment of the suit property. The matter is currently pending.

(f) A civil suit bearing O.S. No. 6768/2006 has been filed by J. Srinath and another against M. Jayarama Reddy and others before the Court of the City Civil Judge, Bangalore for partition and separate possession of the property bearing Sy. No. 70/5 situated at Challaghatta Village, Varthur Hobli, Bangalore South Taluk, Bangalore District. Solomon David Holdings Private Limited is the seventh defendant in this suit. The contention of the plaintiffs is that the suit property is in the joint possession of the plaintiffs and the defendants one to six and that the defendants one to five have sold the suit property to Solomon David Holdings Private Limited without the knowledge and consent of the plaintiffs. The plaintiffs have prayed for (i) a preliminary decree for partition of the plaint schedule properties as per the shares of the plaintiffs, (ii) partition in terms of the preliminary decree by metes and bounds and for separate possession of their share (iii) a declaration that the plaintiff is entitled to 1/3 of 1/3 share in each of the scheduled properties, and (iv) a declaration that the sale deeds executed by defendants one to five in favour of Solomon David Holdings Private Limited are not binding on the plaintiffs to the extent of their share in the suit property. Solomon David Holdings Private Limited in its written statement has contended that the suit is barred by limitation and that in any event, the plaintiffs have no right, interest or title over the suit property as the property is a self acquired property and not an ancestral property. The matter is currently pending.

(g) A civil suit bearing O.S. No. 8775/2004 has been filed before the City Civil Judge, Bangalore on November 29, 2004 by G. Somnath against B. Gopal and five others including Solomon David Holdings Private Limited as the sixth respondent in respect of properties in Sy. No. 66/5 of Challaghatta Village measuring 1 acre 3 guntas, Sy. No. 70/2 of Challaghatta Village measuring 0.03 guntas and Sy. No. 73/1 of Challaghatta Village measuring 1 acre. The plaintiff has claimed that the said properties are jointly held as family property and has sought the court for a decree of partition for the plaintiff's one-fifth share. Solomon David Holdings Private Limited has filed its written statement objecting the claim of the plaintiff. The matter is currently pending.

(ii) Cases filed by Solomon David Holdings Private Limited

Nil

StarWood Properties Private Limited

(i) Cases filed against StarWood Properties Private Limited

Nil

(ii) Cases filed by StarWood Properties Private Limited

Nil

Stonehill Education Foundation

(i) Cases filed against Stonehill Education Foundation

A civil suit bearing OS. No. 618 of 2010 dated January 28, 2010 has been filed against Stonehill Education Foundation and its director, John F. Sperandio by Jeniffer Z. Gordon, Nicolas M. Gordan and Domnick M. Gordon in the Court of City Civil Judge, Bangalore seeking the reinstatement of Jeniffer Z. Gordon as a teacher and the readmission of Nicolas M. Gordan and Domnick M. Gordon as students at Stonehill Education Foundation. Stonehill Education Foundation had initially relieved Jeniffer Z. Gordon of her duties and placed her on medical leave through letter dated November 2, 2010 and subsequently terminated the services of Jeniffer Z. Gordon as a teacher on November 30, 2010 through a termination of the agreement of employment dated April 15, 2009. It was subsequently notified that her sons, Nicolas M. Gordan and Domnick M. Gordon would not be able to attend classes at Stonehill Education Foundation with effect from January 11, 2010. It is claimed by Jeniffer Z. Gordon that her termination of services and the discontinuation of her sons as students at Stonehill Education Foundation have been done arbitrarily and illegally. Stonehill Education Foundation has filed its objections by way of a counter affidavit dated February 4, 2010. The matter is currently pending.

(ii) Cases filed by Stonehill Education Foundation

Nil

Stylus Commercial Services Private Limited

(i) Cases filed against Stylus Commercial Services Private Limited

Nil

(ii) Cases filed by Stylus Commercial Services Private Limited

Nil

Swire Holdings Private Limited

(i) Cases filed against Swire Holdings Private Limited

The Income Tax Officer, Ward 12, *vide* an assessment order dated February 25, 2002 had held that an amount of Rs. 189,025 received by Swire Holdings Private Limited as pre-operative interest income is liable to be brought to tax. Aggrieved by the said order, Swire Holdings Private Limited filed an appeal against the same before the CIT (Appeals IV), Bangalore, who upheld the assessment order through its order dated February 26, 2003. Swire Holdings Private Limited has

preferred an appeal before the ITAT, Bangalore Bench, which allowed the appeal by Swire Holdings Private Limited through its order dated February 8, 2005. Aggrieved by the order of the ITAT, an income tax appeal bearing ITA No. 2759/2005 has been filed by the CIT (Appeals IV), Bangalore before the High Court of Karnataka. The High court of Karnatak, through its order dated March 17, 2010 determined that the matter is a question of fact and has remanded the matter to the assessing officer for further investigation. The matter is currently pending with the assessing officer.

(ii) Cases filed by Swire Holdings Private Limited

Nil

Swire Properties Private Limited

(i) Cases filed against Swire Properties Private Limited

Nil

(ii) Cases filed by Swire Properties Private Limited

Nil

Swire Tech-Park Projects Private Limited

(i) Cases filed against Swire Tech-Park Projects Private Limited

Nil

(ii) Cases filed by Swire Tech-Park Projects Private Limited

Nil

Udhyaman Investments Private Limited

(i) Cases filed against Udhyaman Investments Private Limited

Nil

(ii) Cases filed by Udhyaman Investments Private Limited

Nil

VIC Steels Private Limited

(i) Cases filed against VIC Steels Private Limited

Nil

(ii) Cases filed by VIC Steels Private Limited

Nil

Vijaygi Investments Private Limited

(i) Cases filed against Vijaygi Investments Private Limited

Nil

(ii) Cases filed by Vijaygi Investments Private Limited

Nil

Wildflower Estate and Resorts Private Limited

(i) Cases filed against Wildflower Estate and Resorts Private Limited

Nil

(ii) Cases filed by Wildflower Estate and Resorts Private Limited

Nil

Worldglow Limited

(i) Cases filed against Worldglow Limited

Nil

(ii) Cases filed by Worldglow Limited

Nil

Zeus Commodities Private Limited

(i) Cases filed against Zeus Commodities Private Limited

Nil

(ii) Cases filed by Zeus Commodities Private Limited

Nil

Partnerships

Embassy Brindavan Developers

(i) Cases filed against Embassy Brindavan Developers

Nil

(ii) Cases filed by Embassy Brindavan Developers

Nil

Embassy Development Corporation

(i) Cases filed against Embassy Development Corporation

The income tax returns filed by Embassy Development Corporation for the assessment years 2000-01, 2001-02 and 2002-03 were selected for scrutiny. Through an assessment order dated March 24, 2003, the income of Embassy Development Corporation was assessed at Rs. 30,98,151 as against the income of Rs. 48,430 declared in the return filed for the assessment year 2000-01.

Through an assessment order dated March 29, 2004, the income of Embassy Development Corporation was assessed at Rs. 4,035,350 as against the declared income of Rs. 899,370 declared in the return filed for the assessment year 2001-02. Through an assessment order dated December 6, 2004, the income of Embassy Development Corporation was assessed at Rs. 3,214,785 as against the declared income of Rs. 147,630 declared in the return filed for the assessment year 2003-04. Aggrieved by the above orders of the assessing officer, Embassy Development Corporation had filed appeals on April 25, 2003, April 29, 2004 and January 18, 2005, respectively. The Commissioner of Income tax (Appeals) V heard the appeal for the assessment years 2000-01, 2001-02 and 2002-03 as the issue was common and passed orders bearing No 59/107/07-08, 60/246/07-08 and 61/494/07-08 dated March 18, 2008 and allowed the appeal in part. Aggrieved by the above orders, Embassy Development Corporation filed an appeal dated May 27, 2008 before the Income Tax Appellate Tribunal, Bangalore. The Income Tax Appellate Tribunal, allowed the appeal in part. However, as a claim for allowing an amount paid to a sister concern as 'interest on borrowed loan' was not permitted, Embassy Development Corporation filed an appeal before the High Court of Karnataka dated September 10, 2009. The matter is currently pending.

(ii) Cases filed by Embassy Development Corporation

Nil

Global Facade Solutions

(i) Cases filed against Global Facade Solutions

Nil

(ii) Cases filed by Global Facade Solutions

Nil

Havelock Development Corporation

(i) Cases filed against Havelock Development Corporation

Nil

(ii) Cases filed by Havelock Development Corporation

Nil

Mall Ventures

(i) Cases filed against Mall Ventures

Nil

(ii) Cases filed by Mall Ventures

Nil

Ramakrishna & Company

(i) Cases filed against Ramakrishna & Company

An appeal bearing R.F.A. No. 370/2005 has been filed by Brahmagiri B. Estates and others against Ramakrishna & Company and others before the High Court of Judicature of Kerala, Ernakulam against the decree granting specific performance of agreement for sale in the civil suit bearing O.S. No. 385/94. The agreements provided that the permission of Reserve Bank of India should be obtained for sale of the property to Ramakrishna & Company and if the permission was not obtained, the agreement would stand cancelled. The appellants have contended that no permission of the Reserve Bank of India was obtained and therefore the agreement was ipso facto cancelled by inbuilt provisions in the agreement. Further, the appellants have also contended that the plaintiffs in the civil suit were not ready and willing to perform the contract. The appellants have further contended that the suit was barred by limitation. The appellants have prayed for setting aside the decision of Court of the Sub Judge, Sulathanbathery in O.S. No. 385/1994. The appellants have filed an interlocutory application praying for stay of operations and all proceedings in relation to execution of the decree in O.S. 385/1994. The matter is currently pending.

(ii) Cases filed by Ramakrishna & Company

Nil

Repute Builders Hardware

(i) Cases filed against Repute Builders Hardware

Nil

(ii) Cases filed by Repute Builders Hardware

Nil

Trusts

Dynasty Developers Employees Gratuity Trust

(i) Cases filed against Dynasty Developers Employees Gratuity Trust

Nil

(ii) Cases filed by Dynasty Developers Employees Gratuity Trust

Nil

Embassy Education and Welfare Trust

(i) Cases filed against Embassy Education and Welfare Trust

Nil

(ii) Cases filed by Embassy Education and Welfare Trust

Nil

Cases involving our Promoters

Jitendra Virwani

(i) Cases filed against Jitendra Virwani

(a) A private criminal complaint bearing PCR 66/2006 has been filed by Maliyappa against Jitendra Virwani and five others before the Judicial Magistrate, First Class, Devanahalli. The Judicial Magistrate, First Class, Devanahalli has directed the police to investigate the matter and accordingly the police have registered a criminal case bearing 48/06 for offences under Sections 260, 263A, 465, 567, 468, 471 and 474 of the Indian Penal Code relating to forgery and cheating. Jitendra Virwani has filed an application for anticipatory bail bearing PCR 223/2006 before the Judicial Magistrate, First Class, Devanahalli on the grounds that the allegations made in the private complaint are false and was granted bail through an order dated March 13, 2007 on the condition that he would make himself available to the police for investigation whenever required.

(b) A civil suit bearing O.S. No. 17534/2006 has been filed by Meera Menon and another against M.B. Mangalokar and others before the Court of the City Civil Judge, Bangalore in relation to a three bedroom duplex apartment bearing No. 101 in the building Embassy Espana with a super built-up area of 2,594 sq. ft. along with a car parking space. Dynasty Stock Holdings Private Limited and Jitendra Virwani are the eighth and second defendants respectively in this suit. The contention of the plaintiffs is that the defendants one to seven formulated a scheme for development of the property bearing No. 5, Commissariat Road, Bangalore and accordingly entered into another agreement with Dynasty Stock Holdings Private Limited to construct a multi-storeyed apartment building under the name and style 'Embassy Espana' on the described property and that the plaintiffs have bought the flat in the building 'Embassy Espana' by paying the entire sale consideration. The plaintiffs have further contended that the defendants are wilfully abstaining from completing the registration of the sale deed dated November 15, 2002 in respect of the suit property, executed by the defendants. The plaintiffs have prayed for an order from the court directing the defendants to admit execution of the sale deed in favour of the plaintiffs by appearing before the jurisdictional sub-registrar. The plaintiffs have also prayed for registration of the sale deed by the court in the event the plaintiffs refuses to admit registration of the sale deed. The matter is currently pending.

(c) A civil suit bearing O.S. No. 1273/2005 has been filed by M.B. Mangalokar against Jitendra Virwani and others before the Court of City Civil Judge, Bangalore. The contention of the plaintiff is that by virtue of an agreement dated January 30, 1997, the defendants were to develop the property bearing municipal No. 15 and new No. 5 situated at Commissariat Road, Civil Station, Bangalore owned by the plaintiff and transfer 50% of the built-up area and six car parking slots to the plaintiff. However, the plaintiff contends that the defendants after developing the described property retained more than 50% of built-up area and failed to allot to the plaintiff the parking slots as per the agreement dated January 30, 1997 and the subsequent supplementary agreements entered into between the plaintiff and the defendants. The plaintiff has prayed for specific performance of the obligations arising under the agreement dated January 30, 1997 and the supplemental agreements. The plaintiff further prays that in the event the defendants refuse to comply with the court order, the said order may be executed by appointing a court commissioner. The defendants in their written statement have contended that the claims raised by the plaintiff are frivolous and vexatious and that the car parking slots have been allocated according to the terms of the agreement. The matter is currently pending.

(d) An appeal bearing No. 134/B/09 has been filed by the Assistant Commissioner of Income Tax, Bangalore against Jitendra Virwani before the ITAT, Bangalore challenging the order of the Commissioner of Income Tax (Appeals), Bangalore deleting the disallowance of loss on sale of shares in Infantry Holdings Private Limited and in holding that profit or loss on sale of shares held for a period not less than 36 months is short term gain or loss. The appellant has contended that the respondent is in the business of real

estate and that the respondent has shown the investments in the real estate firms as business income and claimed interest paid as business expenditure. The respondent in his written submission has contended that the transaction is purely a sale and transfer of shares not covered under Section 47 of the IT Act. The matter is currently pending. The office of the Commissioner of the Income Tax Officer, (A-VI), Bangalore, *vide* an order dated March 31, 2004, had disallowed a loss aggregating to Rs. 4,570,611 against Jitendra Virwani. Aggrieved by the notice of the assessing officer, Jitendra Virwani filed an appeal before the Commissioner of Income Tax (Appeals) who upheld the claim for the long term capital loss of Rs. 4,570,611 dated March 28, 2010. Aggrieved by the order of the Commissioner of Income Tax (Appeals), the Income Tax Department filed an appeal dated November 5, 2009 before the ITAT 'A' Bench. The matter is currently pending.

(e) The Wealth tax Officer (Ward 12), Bangalore, *vide* an assessment order dated December 23, 2008 had assessed the value of land held by Jitendra Virwani, as the Managing Director in M.D. Realtors Private Limited, in Bhoopsandra and Kochi at values exceeding the values declared by Jitendra Virwani under the Return of Wealth dated August 7, 2007 for the assessment years 2003-04, 2004-05, 2005-06 and 2006-07. The property at Bhoopsandra was valued at Rs. 9,555,000 more than the value disclosed and assessed the property at Kochi to be qualified as an asset under the Wealth Tax Act, 1957 and added an amount of Rs. 3,500,000 to the net wealth of Jitendra Virwani. Consequently the order assessed amounts of Rs. 89,515 for the assessment year 2003-04, Rs. 128,498 payable as tax for the assessment year 2004-05; Rs. 131,663 for the assessment year 2005-06; and Rs. 148,834 for the assessment year 2006-07. Aggrieved by the order of the assessing officer, Jitendra Virwani has filed an appeal dated January 29, 2009 before the Commissioner of Wealth Tax (Appeals). The matter is currently pending.

(ii) Cases filed by Jitendra Virwani

(a) A criminal petition bearing Cr.R.P. No. 331/2010 has been filed by Jitendra Virwani against the State of Karnataka before the High Court of Karnataka, Bangalore against the order dated January 1, 2008 passed by the Court of IV Additional City Metropolitan Magistrate, Bangalore in the matter bearing P.C.R. No. 18532/2005. The Magistrate had dismissed the complaint registered by Jitendra Virwani against Raja Bagmane for cheating and misrepresentation, by accepting report submitted by officials of the Cubbon Park Police Station stating that the matter is civil in nature and that there is no sufficient ground for entering on an investigation. The contention of the petitioner is that the order is illegal, invalid and contrary to law as he was not afforded any opportunity to challenge the report which states that there is no sufficient ground for entering on an investigation. The petitioner has prayed for setting aside the impugned order and afford an opportunity to the petitioner to challenge the above report. The matter is currently pending.

(b) An arbitration suit bearing No. 6/2008 has been filed by Dynasty Properties Private Limited and Jitendra Virwani against Bagmane Developers Private Limited and two others before the Court of the City Civil Judge, Bangalore, challenging an arbitral award passed by a sole arbitrator on November 19, 2008. The first and second respondents had initiated arbitration proceedings seeking an award of Rs. 208,572,801 under a memorandum of understanding in relation to joint development of a property for a third party. Dynasty Properties Private Limited and Jitendra Virwani had filed a counter claim of Rs. 2,020,740,000. The sole arbitrator had passed an arbitral award dated November 19, 2008 granting the first and second respondents a sum of Rs. 130,425,000 payable by Dynasty Properties Private Limited and Jitendra Virwani. Dynasty Properties Private Limited together with Jitendra Virwani has challenged the said arbitral award and has sought the award to be set aside. The respondents in their statement of objections have challenged the grounds of petition filed by Dynasty Properties Private Limited and

Jitendra Virwani and have filed an interlocutory application seeking the deposit of the amount awarded by the sole arbitrator in a fixed deposit account of a nationalised bank for an initial period of one year or pending disposal of the arbitral suit on merits. The petitioners in their statement of objections to the interlocutory application filed by the respondents have contended that any order for depositing the money awarded by the sole arbitrator would amount to enforcement of the award which is being challenged in the arbitration suit. The matter is currently pending.

JV Holding Private Limited

(i) Cases filed against JV Holding Private Limited

Nil

(ii) Cases filed by JV Holding Private Limited

Nil

JV Family Trust

(i) Cases filed against JV Family Trust

Nil

(ii) Cases filed by JV Family Trust

Nil

Cases involving our Directors

Jitendra Virwani

(i) Cases filed against Jitendra Virwani

Please refer to cases involving our Promoters

(ii) Cases filed by Jitendra Virwani

Please refer to cases involving our Promoters

K.Y. Gopi Krishnan

(i) Cases filed against K.Y. Gopi Krishnan

(a) A private criminal complaint bearing CC No. 1581/2009 has been filed against the directors of Golf Links Embassy Business Park Management Services Private Limited, K.Y. Gopi Krishnan and K.J. Kuruvilla and a chief engineer, Ravindra C.R., by the Senior Labour Inspector, Bangalore before the Metropolitan Magistrate & Traffic Court, Bangalore in relation to several alleged offences under the Contract Labour (Regulation and Control) Act, 1970. K.Y. Gopi Krishnan and K.J. Kuruvilla and Ravindra C.R. have filed a petition bearing Cr. P. 297/2010 dated January 19, 2010 before the High Court of Karnataka seeking to quash the proceedings under CC No. 1581/2009. The matter is currently pending.

(b) A private criminal complaint bearing CC No. 1578/2009 has been filed against the directors of Golf Links Embassy Business Park Management Services Private Limited,

K.Y. Gopi Krishnan and K.J. Kuruvilla and a chief engineer, Ravindra C.R., by the Senior Labour Inspector, Bangalore before the Metropolitan Magistrate & Traffic Court, Bangalore in relation to several alleged offences under the Contract Labour (Regulation and Control) Act, 1970. K.Y. Gopi Krishnan and K.J. Kuruvilla and Ravindra C.R. have filed a petition bearing Cr. P. 298/2010 dated January 19, 2010 before the High Court of Karnataka seeking to quash the proceedings under CC No. 1578/2009. The matter is currently pending.

Narpat Singh Choraria

(i) Cases filed against Narpat Singh Choraria

Nil

(ii) Cases filed by Narpat Singh Choraria

Nil

Kishore Biyani

(i) Cases filed against Kishore Biyani

(a) A consumer case complaint case bearing No. 157/2010 has been filed by Rakesh K. Agarwal against Pantaloon Retail (India) Limited, Kishore Biyani and Big Bazaar Orchid City Centre, Mumbai before Consumer Forum South Mumbai alleging that he has been over charged for the products purchased by him from the store. The matter is currently pending.

(b) A consumer case complaint case bearing No. 257/2010 has been filed by Dharmendra G. Revatkar against Big Bazaar, Nagpur, Kishore Biyani and certain others before District Consumer Fourm, Nagpur alleging that he has been over charged for the products purchased by him from the store. The matter is currently pending

(c) Four criminal cases bearing Nos. 41 to 44 of 2008 have been filed by the Local Health Authority, Municipal Corporation of Ranchi before the Chief Judicial Magistrate, Ranchi against Kishore Biyani and another, in relation to adulteration and misbranding of food items namely “Toordal”, “Chana Dal”, “Chana Besan” and “Chana Sattu”. The samples of the said food items collected by the Municipal Corporation from Big Bazaar at Ranchi were found to be adulterated and misbranded as opposed to the requirements of the Prevention of Food Adulteration Rules, 1955. It has been alleged that an offence under section 16 of the Prevention of Food Adulteration Act, 1954 has been committed. The court has not assessed the alleged involvement or role of Kishore Biyani and the other directors under this case for the imposition of any punishments or penalties against them. The matter is currently pending.

(d) Two criminal cases bearing Nos. 20668 of 2008 and No. 28669 of 2008 have been filed by the Local Health Authority, Municipal Corporation of Indore against Kishore Biyani and other directors of Pantaloon Retail (India) Limited. The sample of the product namely “N-Joi”, seized by the Municipal Corporation of Indore, from Pantaloon Retail (India) Limited’s store was found to contain a synthetic food colour “ponceau 4R”, on a test conducted by the public analyst. There was no declaration on the label of the sample pack to this effect and hence it has been alleged that there has been a violation of Rule 24 and proviso (b) of Rule 32 of the Prevention of Food Adulteration Rules, 1955. It is also alleged that the said product and one another product i.e. biscuits were adulterated and misbranded as per the Prevention of Food Adulteration Act, 1954. Pantaloon Retail (India) Limited has filed a criminal miscellaneous petition before the Madhya Pradesh

High Court, Indore Bench under section 482 of Criminal Procedure Code, 1973 for quashing the complaint and the High Court has granted exemption to all the directors of Pantaloon Retail (India) Limited till the final disposal of the case in the lower court, by an order dated March 29, 2009. The court has not assessed the alleged involvement or role of Kishore Biyani and the other directors under this case for the imposition of any punishments or penalties against them. The matter is currently pending.

(e) A case bearing No. 220 of 2007 has been filed by the Municipal Authority of Delhi before the Metropolitan Magistrate, Karkardooma, New Delhi, against Pantaloon Retail (India) Limited and its directors including Kishore Biyani in relation to carrying on business at the Food Bazaar at Rohini Delhi without the health trade license. Pantaloon Retail (India) Limited has stated that the application for grant of the said license was made to Municipal Corporation of Delhi and business was commenced pending issuance of the same. Pantaloon Retail (India) Limited has challenged the proceeding before the Sessions Court, Delhi. The matter is currently pending and the date of next hearing has been fixed for June 25, 2010. The matter is currently pending.

(f) Two criminal cases bearing No. 4557 of 2008 and No. 4556 of 2008 have been filed by the Local Health Authority, Municipal Corporation of Kamrup, Guwahati before the Chief Judicial Magistrate, Kamrup, Guwahati against the directors of Pantaloon Retail (India) Limited including Kishore Biyani, in relation to adulteration of food products. The Samples of "Kalazira" and "Pure Cow Ghee" seized by the Municipal Corporation of Kamrup, Guwahati from Big Bazaar at City Square, G.S. Road, Guwahati and Pantaloons at D. T. Tower, G.S. Road, Guwahati, was found to be polished with hydrocarbon oil, and artificially coloured using "Beta Carotene" It was also found that the sample contained excessive numbers of living insects. It has been alleged that there has been a violation of Rules 5 and 26 of the Prevention of Food Adulteration Rules, 1955 and an offence under the Prevention of Food Adulteration Act, 1954 has been committed. The court has not assessed the alleged involvement or role of Kishore Biyani and the other directors under this case for the imposition of any punishments or penalties against them. The matter is currently pending.

(g) A criminal case bearing No. 2357 of 2009 has been filed by the Local Health Authority, Ahmedabad Municipal Corporation before the 6th Court of the Metropolitan Magistrate, Ahmedabad against Anil S. Kaltari, Pantaloon Retail (India) Limited, Kishore Biyani, Ghanshyam Biyano and Sandip Modi in the capacity of directors of Pantaloon Retail (India) Limited, in respect of a product supplied at the Company's retail outlet at Ahmedabad. The public analyst allegedly found the product to be misbranded as it did not conform to the standards and provisions of the rules 32 (b) and (e) of the Prevention of Food Adulteration Rules, 1955 and it was misbranded as per section 2 (ix) (k) of the Prevention of Food Adulteration Act, 1954. The court has not yet assessed the alleged involvement or role of Anil S. Kaltari, Pantaloon Retail (India) Limited, Kishore Biyani, Ghanshyam Biyani and Sandip Modi in the capacity of directors of Pantaloon Retail (India) Limited under this case for the imposition of any punishments or penalties against them. The matter is currently pending.

(h) The FDA department, Thane has filed a case bearing CC.No. 926 of 2006 before the Magistrate's Court, Belapur against Pantaloon Retail (India) Limited and Kishore Biyani, the Managing Director of the company under the Prevention of Food Adulteration Act, 1954 for alleged adulteration in the product sold by the company. The court has not assessed the alleged involvement or role of Kishore Biyani and Pantaloon Retail (India) Limited under this case for the imposition of any punishments or penalties against them. The matter is currently pending.

(i) The Local Health Authority, Government of NCT of Delhi has filed a criminal case bearing No. 94/PFA/DA/09 on 10.08.2009 before the Additional Chief Metropolitan

Magistrate against all the directors of Pantaloon Retail (India) Limited. The sample of the product namely "Malatni Madras Mixture", seized by the Municipal Corporation of Delhi, from the company's store was found to be misbranded because 'Best before' is not declared as per the Rules under the Prevention of Food Adulteration Act, 1954. There is also a violation of Rule 36 (2) (a). However the Public Analyst Report says that the mixture is not adulterated. The court has not assessed the alleged involvement or role of directors of the company under this case for the imposition of any punishments or penalties against them. The matter is currently pending.

(ii) Cases filed by Kishore Biyani

Nil

GOVERNMENT APPROVALS

In view of the approvals listed below, we can undertake this Issue and our current business activities and no further major approvals from any governmental or regulatory authority or any other entity is required to undertake the Issue or continue our business activities. Unless otherwise stated, these approvals are all valid as of the date of this Draft Red Herring Prospectus. Our Company requires approvals from various governmental and local bodies in relation to all the projects executed or to be executed by it. These approvals are required at various stages of construction and shall be granted to us by these authorities subject to our compliance with the requirements of the local laws. These include no objections certificates from government agencies, plan sanctions from the authorities, commencement certificate and occupancy certificate. In addition to the above, we also require the approvals under various environmental legislations for all our projects. We shall apply for these at the relevant stages of the construction.

Approvals related to the Issue

1. Approval from the National Stock Exchange dated [●]

2. Approval from the Bombay Stock Exchange dated [●]

3. Our Board of Directors has, pursuant to a resolution passed at its meeting held on June 2, 2010, authorised the Issue subject to the approval by the shareholders of our Company under Section 81 (1A) of the Companies Act, such other authorities as may be necessary.

4. The shareholders of our Company have pursuant to a resolution dated June 2, 2010, under Section 81(1A) of the Companies Act, authorised the Issue.

Approvals to carry on our Business

1. Our Company has been allotted PAN number AAACD6927A.

2. Our Company has been allotted TAN number BLR M0222F.

3. Registration Certificate of Establishment under the Karnataka Shops and Commercial Establishments Act, 1961 dated January 20, 2004 bearing No. 0620/2004 issued by the Department of Labour, Government of Karnataka valid till December 31, 2011.

4. VAT Registration Certificate dated August 8, 2007 bearing No. 29450485104 issued by the Assistant Commissioner of Commercial Taxes, Karnataka valid with effect from April 1, 2005.

5. Service Tax Registration Certificate dated August 1, 2007 bearing STC No: AAACD6927AST001 and Location Code SA0102 for construction services in respect of commercial or industrial buildings and civil structures, works contracts services, and renting off immovable property services.

6. Certificate in Form 4 dated March 11, 1998 bearing registration No. PT 760/755 of 97-98 dated February 26, 1998 issued by the Commercial Tax Office, Government of Karnataka under the Central Sales Tax Act, 1956.

7. Registration certificate dated September 4, 2001 bearing registration No. KN/BN/18981 issued by the Office of the Regional Provident Fund Commissioner, Karnataka, registering the Company under the Employees' Provident Fund and Miscellaneous Provisions Act, 1952.

8. Registration certificate dated April 24, 2003 bearing No. P00400796 issued by the Profession Tax Officer, Karnataka, registering the Company as an employer under the Karnataka Tax on Professions, Trades, Calling and Employments Act, 1976.

9. Registration certificate dated March 11, 2010 bearing No. 30/2010 issued by the Government of Karnataka, Department of Labour registering the Company under the Building and Other Constructions Workers' (Regulation of Employment and Conditions of Service) Act, 1996.

10. Certificate of registration dated July 9, 2010 bearing No. P-60/08-09 by the Assitant Labour Commissioner and Registering Officer registering our Company under the Contract Labour (Regulation and Abolition) Act, 1970.

Approvals in relation to our projects

Campus Development – Ongoing Projects

Embassy Crest

Embassy Property Developments Limited/ Embassy – ANL Consortium

1. NOC dated December 5, 2005 bearing No. AAI/M/0-23/NCC issued by the Airports Authority of India to Andhra Network Limited granting height clearance for construction of building at property in Sy. No143 of Hoodi, K.R. Puram Hobli, Bangalore.

2. NOC dated June 6, 2005 bearing No. DE(S)/S-6/ 2005-06/03 issued by BSNL to Andhra Network Limited granting clearance for construction of commercial building at property in Sy. No143 of Hoodi, K.R. Puram Hobli, Bangalore.

3. Possession Certificate dated December 2, 2002 bearing No. IADB/14292/EPIP/97/2002-03 issued by the Karnataka Industrial Areas Development Board certifying assumption of possession by Andhra Network Limited of property measuring 22,993 sq. mtrs. at Plot No. 5, EPIP First Phase.

4. NOC dated October 7, 2005 bearing No. GBC(1)467/2005 issued by Karnataka State Fire & Emergency Services granting no objection to the construction of building at property in Sy. No143 of Hoodi, K.R. Puram Hobli, Bangalore.

5. Consent for Establishment dated January 4, 2005 from Karnataka State Pollution Control Board for establishment of a software technology park at Plot No.5, Sy. No143 of Hoodi, K.R. Puram Hobli, Bangalore.

Embassy Golflinks Business Park

Umbel Properties Private Limited (Hilton Residence)

1. NOC dated December 23, 2004 bearing No. PLG 6/885/03-04/18 from BSNL for construction of building in Sy. Nos. 8/2A, 8/2B, 10/2, 10/3 and 5/1 of Challaghatta Village, Varatur Hobli, Bangalore.

2. NOC dated January 7, 2005 bearing No. CE(M)ACE(M)/TA-4/9103/2004-05 from Bangalore Water Supply and Sewerage Board for building in Challaghatta Village, Varatur Hobli, Bangalore.

3. Load Sanction dated January 15, 2005 bearing No. GM/C(O&M)/DGM(O)/AGM(3)/04-05 from the Bangalore Electricity Supply Company Limited for the building at Sy. Nos. 8/2A, 8/2B, 10/2, 10/3 and 5/1 of Challaghatta Village, Varatur Hobli, Bangalore.

4. Letter dated April 13, 2009bearing No. SEIAA\72\CON\2007 along with corrigendum dated May 2, 2009 from the State Level Environment Impact Assessment, Authority for building having a total built up area is 41,693.01 square metres and consisting of 251 apartment units in Challaghatta Village, Varatur Hobli, Bangalore.

5. NOC dated March 10, 2005 bearing No. GBC(1)896/2004 from the Karnataka State Fire and Emergency Services for the construction of building having a site area of 14,872.40 sq. mts. in Challaghatta Village, Varatur Hobli, Bangalore.

6. Consent letter dated December 12, 2007 bearing No. CFE/CP-169/2007-2008/5984 from the Karnataka State Pollution Control Board to establish hotel/service apartments with 251 rooms having a built up area of 33,612.87 square metres at Sy. No. 5/1 of Challaghatta Village, Varatur Hobli, Bangalore.

7. Approval letter dated August 4, 2008 bearing No. 5 TH.I (81)/08 from the Ministry of Tourism providing approval of hotel project under 5 star category with 251 apartments to be completed within five years in Challaghatta Village, Varatur Hobli, Bangalore.

8. NOC dated December 23, 2004 bearing No. PLG 6/885/03-04 issued by BSNL granting clearance for construction of commercial building at properties situated at Sy. Nos. 8/2A and 8/2B of Challaghata Village, Bangalore, Sy. Nos. 10/2 and 10/3 of Challaghatta Village, Bangalore and Sy. No. 5/1 of Challaghatta Village, Bangalore.

9. NOC dated January 9, 2005 bearing No. BWSSB/CE(M)/ACE(M)-I/TA-4/9103/2004-05 issued by the Bangalore Water Supply and Sewerage Board for providing water supply and underground facilities to the building in property bearing Sy. No. 5/1 of Challaghatta, Bangalore.

10. NOC dated January 15, 2007 bearing No. CGM/BMAZ/DGM/AGM-3/F-242/04-05/19557-58 issued by BESCOM for the proposed building in property bearing Sy. No. 5/1 of Challaghatta Village, Bangalore.

11. Plan sanction letter dated June 24, 2008 bearing No BDA/AS/AAS/P/36/08-09 issued by the Bangalore Development Authority for the building in property bearing Sy. No. 5/1 of Challaghatta Village, Bangalore.

12. Plan sanction letter dated December 27, 2006 bearing No 5944 issued by the Mahadevapura Corporation Office for the building in property bearing Sy. No. 5/1 of Challaghatta Village, Bangalore.

G.V. Properties Private Limited (Cinnabar Hills)

1. Commencement Certificate dated December 16, 2009 bearing No. JDTP/LP 63/08-09 from the Bruhat Bangalore Mahanagara Palike granting permission for commencement of work of the building in property bearing Sy. No. 13/2 of Challaghatta Village, Bangalore.

2. NOC dated April 8, 2009 bearing No. AAI/BIA/ATM/NOC/008-010 issued by the Airports Authority of India granting height clearance for construction of building at property bearing Sy. No. 13/2 of Challaghatta Village, Bangalore.

3. NOC dated April 16, 2009 bearing No. GBC(1)335/2008 issued by Karnataka State Fire & Emergency Services granting no objection to the construction of high rise office building at Sy. No. 13/2 of Challaghatta Village, Bangalore.

Embassy Manor/ Embassy Techpoint

Embassy Property Developments Limited /Swire Properties

Applications

1. Application dated November 17, 2009 for NOC from Airport Authority of India for construction of building in Sy. No. 55/2, 56, 57/1,2, 61/1,2,3, 62, 63/4,5 of Challaghatta Village and Sy. No. 24/1, 25, 26/1 to 12 & 27/2 of Belurnagasandra Village.

2. Application bearing No. S-1135 dated May 26, 2010 for the approval of plan sanction made by our Company to the Bangalore Mahanagara Palike.

Embassy Techsquare

Embassy Property Developments Limited

1. NOC dated July 30, 2007 bearing No. AAI/BG/AD/NOC/0-3/2008/8102-04 issued by the Airports Authority of India granting height clearance for construction of commercial building at property in Kadubeesanahalli Village, Bangalore.

2. NOC dated October 16, 2007 bearing No. DE(S)/S-6/KW/I/2007-08/16 issued by BSNL granting clearance for construction of commercial building comprising of ground floor and ten upper floors at property in Kadubeesanahalli Village, Bangalore.

3. Application bearing No. S-81125 dated January 16, 2010 for the approval of plan sanction made by our Company to the Bangalore Mahanagara Palike

Embassy TechZone, Coimbatore

Span Ventures Private Limited

1. SEZ Notification dated July 10, 2007 by the Ministry of Commerce & Industry, Department of Commerce relating to property of 10.49 hectares at KPM Nagar, Rathinam Software Park, Pollachi Main Road, Eachanari, Coimbatore.

2. Letter dated July 11, 2007 bearing No. F.2/231/2006-EPZ from the Ministry of Commerce and Industry authorizing certain operations at the SEZ unit in KPM Nagar, Rathinam Software Park, Pollachi Main Road, Eachanari, Coimbatore.

3. Letter dated February 27, 2009 bearing No. F.2/231/2006-EPZ from the Ministry of Commerce and Industry authorizing inclusion of additional area of 4.36 hectres to the SEZ unit in KPM Nagar, Rathinam Software Park, Pollachi Main Road, Eachanari, Coimbatore.

4. Approval letter dated June 26, 2009 bearing Na.Ka.No.15516/2008/CB from the Commissioner of Town Planning granting permission and land approval and building plan approval subject to certain specified special terms and conditions for the construction of underground floor as parking space and ground, first, second and third floors as office premises for use of Information Technology purpose and also to construct temporary office premises, in the lands situated at T.S.No.650/1A, 653/2A, 655/1, 2A2, 3 to an extend of 8.63 acres marked as boundaries from A to S, situated at Kurichi Town, Kurichi Pudu Nagar Development Commission.

5. Building license bearing No. 530/2009-2010 has been granted by the Kurichi Town Panchayat vide letter dated November 6, 2009 granting permission to build and construct in the lands situated at T.S.No.650/1A, 653/2A, 655/1, 2A2, 3 as per the specified terms and conditions.

Embassy TechZone, Pune

Pune Embassy Projects Private Limited

1. Plan sanction dated September 16, 2008 bearing No EE/15/Plans/1945 of 2008 issued by the Special Planning Authority & Executive Engineer, MIDC for the building in property bearing PL-3, Rajiv Gandhi Infotech Park, Hinjawadi, Phase II, Pune.

2. Letter dated June 25, 2007 bearing No. F2/635/2006-SEZ from Ministry of Commerce & Industry, Department of Commerce to set up a sector specific SEZ for IT/ITES sector at PL-3, Rajiv Gandhi Infotech Park, Hinjawadi, Phase II, Pune admeasuring 276,874 square metres.

3. Letter dated June 17, 2008 bearing No. F2/635/2006-SEZ from Ministry of Commerce & Industry, Department of Commerce transferring SEZ notification to Pune Embassy Projects Private Limited from our Company.

4. Building Completion Certificate dated June 13, 2008 bearing No. EE/IT/plans/1251/of 2008 issued by Executive Engineer, MIDC in relation to the completion of the building at PL-3, Rajiv Gandhi Infotech Park, Hinjawadi, Phase II, Pune having a built up area of 50,106.82 square metres.

5. NOC dated December 5, 2007 bearing No. Air GQ\S 17726/4/ATS (PC-CCXXIX)/591/F/07-D (Air II) dated December 5, 2007 issued by Airforce Head Quarters (Ministry of Defence), Pune for the building at PL-3, Rajiv Gandhi Infotech Park, Hinjawadi, Phase II, Pune.

6. Load Sanction Order dated December 31, 2007 bearing No. SE/GKUC/T/HT-608/F.No608 issued by Maharashtra State Electricity Distribution Company Limited for the building at PL-3, Rajiv Gandhi Infotech Park, Hinjawadi, Phase II, Pune.

7. NOC dated July 17, 2007 for raising fund from FDI for development of IT park by MIDC for the construction of the IT Park at PL-3, Rajiv Gandhi Infotech Park, Hinjawadi, Phase II, Pune.

8. SEZ Notification dated November 19, 2007 bearing No. F.2/635/2006-SEZ by the Ministry of Commerce and Industry notifying the area at PL-3, Rajiv Gandhi Infotech Park, Hinjawadi, Phase II, Pune as a SEZ.

9. Letter dated May 31, 2007 bearing No. RO/Pune/RGIP/Ph-III/Land-4822 by the MIDC approving sub-division of plot at PL-3, Rajiv Gandhi Infotech Park, Hinjawadi, Phase II, Pune into PL-3 measuring 202344 square metres for SEZ and PL-3B measuring 74530 square metres for STPI.

10. Letter dated August 5, 2004 bearing No. MIDC/ROP/PIP/4220 from the MIDC sanctioning the allotment of land admeasuring 285,535 square metres comprising of plot at PL-3, Rajiv Gandhi Infotech Park, Hinjawadi, Phase II, Pune to our Company.

11. Letter dated August 18, 2008 bearing No. MIDC/RO/RGIP/6403 from MIDC permitting the sub-division of the plot into PL-3/A measuring 202344 square metres for SEZ and PL-3B measuring 74530 square metres for STPI and the transfer of plot 3/A to Pune Embassy Projects Private Limited.

12. Letter dated September 18, 2008 bearing No. ROP/MIDC/RGIP/Hinj/7244/08 from MIDC permitting the sub-division of the plot into PL-3/A measuring 202344 square metres for SEZ and PL-3B measuring 74530 square metres for STPI and the transfer of plot 3/B to Pune Dynasty Projects Private Limited.

13. Letter dated December 20, 2007 bearing No. LOA-01/2007-08/9314 from the Development Commissioner, Ministry of Commerce & Industry authorizing establishment of unit in Block 1 for software development services, information technology services and information technology enabled services having annual capacity of USD 257,246,153.

14. Building commencement permission dated October 23, 2009 bearing No. NO/EE/IT/Plans/1975 of 2009 from MIDC granting permission to commence development work to erect buildings for Block No. 3 with MLCP and Block No. 6 on PL-3/A, Rajiv Gandhi Infotech Park, Hinjawadi, Phase II, Pune.

15. Building commencement permission dated October 12, 2009 bearing No. NO/EE/IT/Plans/1924 of 2009 from MIDC granting permission to commence development work to erect buildings for Block No. 5 with MLCP on PL-3/A, Rajiv Gandhi Infotech Park, Hinjawadi, Phase II, Pune.

16. Letter dated December 20, 2007 bearing No. LOA-01/2007-08/9425 from the Development Commissioner, Ministry of Commerce & Industry authorizing establishment of unit in Block 2 for development and export of software having annual capacity of USD 111,310,000.

Pune Dynasty Projects Private Limited

1. Part occupancy certificates for the building situated at block No. 11 (ground, first, second, third and fourth floors) on Plot No. PL-III/B at Rajiv Gandhi Infotech Park, MIDC, Ph-II, Hinjawadi. This also specifically states that it shall not be treated as the building completion certificate.

Applications

1. Application on Form IPS-I for *Industrial Park*, proposed to be located at Embassy Tech Zone, Plot No. 3/2 (Part), Hinjewadi, Phase II, Village Marunji, Pune, Maharashtra, with total land area 76,899.36 sq. mts., built up area 102,796.17 sq. mts. and total proposed industrial park admeasuring 179,695.53 sq. mts.

2. Application in Form IPS-I dated May 5, 2008 for establishment of an industrial policy having a total area of 179,695.53 square metres consisting of 76,899.36 square metres of land area and 102,796.17 square metres for total built up area at PL-3/B, Rajiv Gandhi Infotech Park, Hinjawadi, Phase II, Pune.

<u>Embassy TechZone, Whitefield</u>

Concord India Private Limited

1. Plan sanction for proposed development for Concord India Private Limited on Sy. No. 1(P) of Kadugodi Industrial Area, Kadugodi Plantation Village, Bidarahalli Hobli, Bangalore East Taluk, Bangalore District dated March 23, 2008, extended till March 29, 2011 through letter bearing IADB\HO\Allot\AS 143II\6002\09-10 dated March 30, 2010.

2. Formal approval dated October 30, 2008 bearing No. F.1/189/2007-SEZ issued by Department of Commerce, Ministry of Commerce and Industry, Government of India in relation to setting up of a sector specific SEZ for IT/ITES sector over an area of 23.471 hectares (58.548 acres) at Kadugodi Industrial Area, Kadugodi Plantation Village, Bidarahalli Hobli, Bangalore East Taluk, Bangalore District, Karnataka.

3. Letter dated January 25, 2008 bearing No. KUM/SHLCC/AD/475/2007-08 issued by the Department of Industries and Commerce, Government of Karnataka indicating clearance of SEZ

project at property bearing Sy. No. 1, Plot No.6 situated at Kadugodi Plantation, Bidarahalli Hobli, Bangalore.

4. License dated March 28, 2008 bearing No. KIADB/DO-II/4175/2007-08 issued by the Karnataka Industrial Areas Development Board for the construction of building in property bearing Sy. No. 1, Plot No.6 situated at Kadugodi Plantation, Bidarahalli Hobli, Bangalore.

5. Letter dated May 15, 2008 bearing No. DD(ID)/SEZ/CIL/79/2007-08 issued by the Department of Industries and Commerce, Government of Karnataka recommending favourable consideration and grant of formal approval by the Board of Approval for the SEZ project at property bearing Sy. No. 1, Plot No.6 situated at Kadugodi Plantation, Bidarahalli Hobli, Bangalore.

6. NOC dated July 1, 2008 issued by Airports Authority of India bearing No. AAI/20012/2002/2007-ARI (NOC) in relation to construction of the commercial and residential building to the height of one hundred metres above the ground level over the property bearing Sy. No. 1, Plot No.6 situated at Kadugodi Plantation, Bidarahalli Hobli, Bangalore.

7. NOC dated October 16, 2007 bearing No. DE (S)/S-6/II/2007-08/17 issued by Bharat Sanchar Nigam Limited in relation to construction of residential building to a maximum height of one hundred metres only over the property bearing Sy. No. 1. Plot No.6 situated at Kadugodi Plantation Village, Bidarahalli Hobli, Bangalore.

8. Letter dated September 5, 2008 bearing No, 6470/08-09 issued by the Karnataka Industrial Areas Development Board accepting the request for conversion of Plot No.6, Sy. No.1, Block No. 73, Kadugodi Village, Bidarahalli Hobli, Bangalore from forest land to industrial land.

9. Proposal for NOC dated June 20, 2008 bearing No. GBC(1)408/2007 issued by Karnataka State Fire & Emergency Services granting no objection to the construction of high rise building at Plot No.6, Sy. No.1, Block No. 73, Kadugodi Village, Bidarahalli Hobli, Bangalore (East).

Applications

1. Application for issuance of NOC made by Ravindra to Director General of Police and Karnataka State Fire & Emergency Services in relation to the proposed high rise buildings at property bearing Sy. No. 1, Plot No.6, Kadugodi Plantation, Bidarahalli Hobli, Bangalore East Taluk, Bangalore District.

2. Application dated November 13, 2007 to the Karnataka State Fire & Emergency Services for NOC for the building at property bearing Sy. No. 1, Plot 6, Kadugodi Plantation, Bidarahalli Hobli, Bangalore.

Manyata Embassy Business Park

Manyata Promoters Private Limited

1. Formal approval dated June 16, 2006 bearing No. F.2/96/2005-EPZ issued by Department of Commerce, Ministry of Commerce and Industry, Government of India in relation to setting up of sector specific SEZ for IT/ITES sector over an area of 55.20 acres at Outer Ring Road, Bangalore.

2. Formal Approval dated May 3, 2007 bearing No. F.2/96/2005-EPZ issued by Department of Commerce, Ministry of Commerce and Industry, Government of India in relation to exclusion of 1.238 hectares out of the total notified area of 22.34 hectares for the SEZ.

3. Letter dated August 29, 2006 issued by Department of Commerce, Ministry of Commerce and Industry, Government of India granting approval for the authorised operations in respect of the activities carried out in the sector specific SEZ at Bangalore.

4. Letter dated April 23, 2007 bearing No. 3/27/2006: Manyata SEZ: CSEZ/2644 issued by Development Commissioner, Cochin Special Economic Zone, Ministry of Commerce and Industry, Government of India granting approval for use of specified items within the processing area of Manyata Embassy Business Park SEZ.

5. Letter dated June 8, 2009 bearing No. F.2/96/2005-EPZ/386 issued by Development Commissioner, Special Economic Zones (IT/ITES), Karnataka, Department of Commerce, Ministry of Commerce and Industry, Government of India granting approval for use of additional items within the processing area of Manyata Embassy Business Park SEZ.

6. Letter dated September 25, 2007 bearing No. F.No.19/21/2007/CSEZ/CUS issued by Ministry of Commerce and Industry, Government of India granting permission to subcontract the job work of cutting sun energy Green 6mm DLF glass to size, heat strengthening and glazing to Alufit (India) Private Limited.

7. Consent for Establishment dated August 24, 2005 from Karnataka State Pollution Control Board for Group Housing, information technology park, commercial complex, and residential layout of approximately 300 acres.

8. NOC dated August 11, 2002 from the Bangalore Water Supply and Sewerage Board for the Biotech Park, Information Technology and Infrastructure Project at Nagwara and Rachanahalli Village.

9. NOC dated August 25, 2005 from BSNL regarding construction of proposed software technology park at Manyata Tech Park, Outer Ring Road, Bangalore.

10. NOC dated February 3, 2004 from the Airport Authority of India, Chennai Airport in relation to the building at Manyata Tech Park, Outer Ring Road, Bangalore of a maximum height of 900 metres.

11. Load Sanction dated November 11, 2005 from the Bangalore Electricity Supply Company Limited for the building at Manyata Tech Park, Outer Ring Road, Bangalore.

12. Letter dated August 2, 2006 bearing No. 21-86/2006-IA.III from the Ministry of Environment & Forests relating to the environmental clearance for 765 residential villas and commercial complex, including IT park.

13. NOC dated August 28, 2007 bearing No. GBC(1)242/2007 issued by Karnataka State Fire & Emergency Services granting no objection to the construction of Block L5 of high rise office building at Sy. Nos. 99/1P, 99/2P & 100/2, Nagavara Village, Kasba Hobli, Bangalore.

14. NOC dated January 13, 2009 bearing No. GBC(1)254/2009 issued by Karnataka State Fire & Emergency Services granting no objection to the construction of Blocks G1 to G7 of high rise office building at Rachenahalli, Bangalore.

15. License dated February 2, 2009 bearing No. KIADB/DO-II/4307/2008-09 issued by the Karnataka Industrial Areas Development Board for the construction of building in Rachenahalli Village, Bangalore.

16. Occupancy Certificate dated October 26, 2006 bearing No. KIADB/DO-II/2099/2006-07 issued by the Karnataka Industrial Areas Development Board certifying the completion of the basement, ground and four upper floors in Sy. Nos. 81/8(P), 83/3A, 83/4, 116/6 & 117/1 in Nagavara Village area, Bangalore.

17. Occupancy Certificate dated April 17, 2009 bearing No. KIADB/DO-II/122/2009-10 issued by the Karnataka Industrial Areas Development Board certifying the completion of the C Block of the building in Nagavara Village area, Bangalore.

18. Occupancy Certificate dated October 26, 2006 bearing No. KIADB/DO-II/2097/2006-07 issued by the Karnataka Industrial Areas Development Board certifying the completion of blocks D1 (basement, ground and four upper floors) and D2 (basement, ground and three upper floors) in Sy. Nos. 22/1, 22/2, 23/1, 23/2, 26(P) & 27/6 in Nagavara Village area, Bangalore.

19. Occupancy Certificate dated August 3, 2007 bearing No. KIADB/DO-II/1405/2007-08 issued by the Karnataka Industrial Areas Development Board certifying the completion of the building Wing-A, Block D4 consisting of basement, ground and ten upper floors in Nagavara Village area, Bangalore.

20. Occupancy Certificate dated February 12, 2008 bearing No. KIADB/DO-II/3675/2007-08 issued by the Karnataka Industrial Areas Development Board certifying the completion of Blocks E1 (basement, ground and three upper floors), E2 (ground and seven upper floors) and MLCP (ground and five upper floors) of the building in Nagavara Village area, Bangalore.

21. Occupancy Certificate dated February 27, 2009 bearing No. KIADB/DO-II/4603/2008-09 issued by the Karnataka Industrial Areas Development Board certifying the completion of Block F2 consisting of basement, ground and ten upper floors of the building in Rachenahalli Village area, Bangalore.

22. Occupancy Certificate dated July 16, 2008 bearing No. KIADB/DO-II/1278/2008-09 issued by the Karnataka Industrial Areas Development Board certifying the completion of Block H1 consisting of basement, ground and six upper floors of the building in Nagavara Village area, Bangalore.

23. Occupancy Certificate dated April 24, 2009 bearing No. KIADB/DO-II/151/2009-10 issued by the Karnataka Industrial Areas Development Board certifying the completion of Block L5 consisting of basement, ground and ten upper floors of the building at Sy. Nos. 99/1P, 99/2P & 100/2, Nagavara Village, Kasba Hobli, Bangalore.

24. Occupancy Certificate dated July 13, 2007 bearing No. KIADB/DO-II/1144/2007-08 issued by the Karnataka Industrial Areas Development Board certifying the completion of building consisting of basement, ground and ten upper floors in NagavaraVillage, Kasba Hobli, Bangalore.

Residential – Ongoing Projects

Embassy Pristine

Embassy Property Developments Limited

1. NOC dated December 11, 2009 bearing No. AAI/BIA/ATM/NOC/ issued by the Airports Authority of India granting height clearance for construction of residential building at property in Sy. Nos. 6/1, 8/2, 8/2, 8/3, 9/1, 9/3, 10/2 & 11/2 of Ibbalur Village, Bangalore.

2. NOC dated December 5, 2007 bearing No. CGM/BMAZ/DGM/AGM-1/F-241/9945 issued by BESCOM for the residential building at property in Sy. Nos. 6/1, 8/2, 8/2, 8/3, 9/1, 9/3, 10/2 & 11/2 of Ibbalur Village, Bangalore.

3. NOC dated October 19, 2005 bearing No. DE(S)/S-6/ 2005-06/62 issued by BSNL granting clearance for construction of commercial building at property in Sy. Nos. 6/1, 8/2, 8/2, 8/3, 9/1, 9/3, 10/2 & 11/2 of Ibbalur Village, Bangalore.

4. NOC dated July 25, 2006 bearing No. BWSSB/CE(M)/ACE(M)-I/TA-9/1813/2007-08 issued by the Bangalore Water Supply and Sewerage Board for providing water supply and underground facilities to the building in property in Sy. Nos. 6/1, 8/2, 8/2, 8/3, 9/1, 9/3, 10/2 & 11/2 of Ibbalur Village, Bangalore.

5. NOC dated April 9, 2008 bearing No. GBC(1)375/2007 issued by Karnataka State Fire & Emergency Services granting no objection to the construction of building in Sy. Nos. 6/1, 8/2, 8/2, 8/3, 9/1, 9/3, 10/2 & 11/2 of Ibbalur Village, Bangalore.

Applications

1. Application for plan sanction dated December 10, 2007 bearing No. 203214 issued by the Bangalore Development Authority in relation to the property in Sy. No. 6/1 and 8/1 of Ibbalur Village, Bangalore.

Residential – Forthcoming Projects

Embassy Grove

Embassy Property Developments Limited

Applications

1. Application bearing No. S-1135 dated May 26, 2010 for the approval of plan sanction made by our Company to the Bangalore Mahanagara Palike.

Embassy Residency, Chennai

RGE Constructions and Development Private Limited

1. The Multistoreyed Building Panel has considered the proposal of RGE Constructions and Development Private Limited for the construction of a residential building with basement and 7 floors with 4 blocks, a club house, a commercial and school buildings, in its meeting held on December 4, 2009 and has recommended to forward the proposal for Government approval subject to the condition that the applicant shall furnish revised plan rectifying the drafting errors before forwarding the proposal to Government and that a condition should be imposed in the approval letter that the applicant should obtain EIA clearance from the Environment Department as the floor area exceeds 20,000 sq. m. as per the Rules under the Environment Protection Act.

2. Planning permission letter dated April 5, 2010, issued by the Housing and Urban Development Department Secretariat to RGE Constructions and Development Private Limited for recommendation of the multi-storied building panel subject to the conditions imposed through the NOC dated December 19, 2008 issued by the Director, Fire and Rescue Service for the proposed

construction of building at Sy. No. 276/3B, 277, 280/2A to 2G, 465/1B, 2B, 2C, 466/2 Part, 467, 468 part, 469 part, 499/1B at Cheran Nagar, Perumbakkam.

Commercial/Retail – Ongoing Projects

Embassy Galaxy Mall

Embassy Property Developments Limited

1. NOC dated August 22, 2006 bearing No. 41/KSPCB/EO/BNG-CITY/DEO/CFE/2006-07/2382 from the Karnataka State Pollution Control Board granting consent for the establishment and clearance from water and air pollution control perspectives for setting up commercial complex at Khata No. 43, Residency Road, Ward No. 76, Bangalore.

2. NOC dated March 18, 2006 bearing No. GM/C(O&M)/DGM(O)JEE/05-06/21272-73 from BESCOM for multi-storeyed building at Khata No. 43, Residency Road, Ward No. 76, Bangalore.

3. NOC dated November 18, 2005 bearing No. DE(S)-S-6/2006-06/107 issued by BSNL granting clearance for construction of commercial building at properties situated at Khata No. 43, Residency Road, Ward No. 76, Bangalore.

4. NOC dated March 8, 2006 bearing No. BWSSB/CE(M)/ACE(M)-I/TA-9/10223/2005-06 issued by the Bangalore Water Supply and Sewerage Board for providing water supply and underground facilities to the building in property bearing Khata No. 43, Residency Road, Ward No. 76, Bangalore.

5. NOC dated May 16, 2006 bearing No. GBC(1)911/2005 issued by Karnataka State Fire & Emergency Services granting no objection to the construction of high rise building at property bearing Khata No. 43, Residency Road, Ward No. 76, Bangalore.

6. Sanction plan of Galaxy Mall sanctioned as per the orders of the Commissioner dated April 28, 2007, by the Office of Joint Director, Town Planning Cell, Bangalore Mahanagara Palike, valid up to May 18, 2009.

Embassy Mall

Embassy Property Developments Limited

1. NOC dated November 5, 2007 bearing No. CGM/BMAZ/DGM/AGM-2/F-242/8526/29 issued by BESCOM for the proposed building at ITPL Road, Whitefield Bangalore.

2. NOC dated December 23, 2006 bearing No. DE(S)/S-6/KW/I/2006-07/51 issued by BSNL granting clearance for construction of commercial building at property bearing Sy. No. 197, Hoodi Village, K. R. Puram, Hobli, Bangalore.

3. NOC dated May 25, 2007 bearing No. AAI/M/0-23/NOC issued by the Airports Authority of India granting height clearance for construction of commercial building at property bearing Sy. No. 197, Hoodi Village, K. R. Puram, Hobli, Bangalore.

4. NOC dated March 14, 2008 bearing No. BWSSB/CE(M)/ACE(M)-I/TA-9/8102/2007-08 issued by the Bangalore Water Supply and Sewerage Board for providing water supply and underground facilities to the building in property bearing Sy. No. 197, Hoodi Village, K. R. Puram, Hobli, Bangalore.

Applications

1. Application bearing No. 91594 dated May 1, 2010 for the approval of plan sanction made by our Company to the Bangalore Development Authority.

Embassy Vogue

Embassy Property Developments Limited

1. Sanction plan for the office complex at Khata No. 2/1 (Old No. 9), Palace Road, Vasanth Nagar, Ward No. 78, Bangalore, sanctioned as per the order of the Planning Committee (East) dated June 25, 2009, by the Office of the Deputy Commissioner, East Zone, Bangalore Mahanagara Palike dated November 19, 2009 valid up to November 18, 2011.

Commercial/Retail – Forthcoming Projects

Integrated Township, Devanahalli

Nam Estates Private Limited/Swire Investments Private Limited

Applications

1. Application dated January 15, 2010 by Nam Estates Private Limited for NOC from the Bangalore International Airport Planning Authority for development of the property measuring 176 acres 5 guntas in Sy. No. 3/209 of Navarathna Agrahara Village, Jala Hobli, Bangalore North Taluk

Kirloskar Business Park

Embassy Property Developments Limited

1. NOC dated March 11, 2007 bearing No. AAI/BIA/ATM/NOC/760 issued by the Airports Authority of India granting height clearance for construction of commercial building at property bearing Sy. Nos. 50, 52, 53 & 54, Hebbal Village, Kasaba Hobli, Bangalore.

2. Occupancy certificate dated January 28, 2005 bearing No. BNS/SP:1:2004-05 issued by the Commissioner of CMC, Byatarayanapura permitting the occupation of the commercial building at property bearing Sy. Nos. 50, 52, 53 & 54, Hebbal Village, Kasaba Hobli, Bangalore.

3. Occupancy certificate dated May 2, 2006 bearing No. BDA/EM/EO-II/TA-I/OC/T 98/2006-07 issued by the Commissioner of CMC, Byatarayanapura permitting the occupation of the commercial building at property bearing Sy. Nos. 52(P), 53 and 54(P), Hebbal Village, Kasaba Hobli, Bangalore.

Joyful Gateway Sdn. Bhd.

1. Planning Approval dated October 6, 2009 bearing Bil No. 16/2009 dated August 25, 2009 for the proposed development and construction of a five storey office building and multi storey basement car park (three storeys) at Lot 44006 Zone Flagship Cyberjaya, Mukim Dengkil daerah Sepang, Selangor whereby the layout plans bearing No. MK/SHELL.03004909-0301 have been recorded and acknowledged as Bil MP.SEPANG 10/P/CYB/44006-09(PS).

MKN Embassy Development Sdn. Bhd.

1. The Selangor State Fire Department Approval dated December 14, 2009 bearing ref no. JBPM:SL/005/112883 for the proposed development of the MKN Embassy Techzone Phase 3A

including 2 blocks of 9 storey offices (Blocks I &J) including 1 storey of sub basement on Lot PT 12051 Mukim Dengkil Daerah Sepang.

2. Building Plan approval dated September 17, 2009 from the Sepang Local Authority bearing ref no. 19 dlm MP.SPG.9/CYB/61/09 for MKN Embassy Development Techzone Phase 3A including 2 blocks of 9 storey offices (Blocks I &J) including 1 storey of sub basement on Lot PT 12051 Mukim Dengkil Daerah Sepang valid for a period of one year.

3. Layout Plans Approval dated August 25, 2009 bearing ref no.: (9) MP Sepang 10/P/CYB/3-2009/PCN for the proposed development of Phase 3A being 7 Blocks of office buildings at IT Park (Blocks E to K), 1 block of amenities building, 3 blocks of multi level car parks all located at Lot PT 12051 Mukim Dengkil Daerah Sepang.

4. NOC from Telekom Malaysia Berhad dated July 1, 2009 stating that the utilizes provider has no objections to the application for provision of telecommunication services provided at MKN Embassy Development Techzone Phase 3A including 2 blocks of 9 storey offices (Blocks I & J) including 1 storey of sub basement on Lot PT 12051 Mukim Dengkil Daerah Sepang.

5. Electricity and electrical services at key locations and site plans Approvals from Tenaga Nasional Berhad (the Electricity Board) via their letter dated December 11, 2009 bearing ref no.: TNB(B)/PJCJ/CBJ0288 for the provision of electricity and electrical services and cabling at MKN Embassy Development Techzone Phase 3A including 2 blocks of 9 storey offices (Blocks I &J) including 1 storey of sub basement on Lot PT 12051 Mukim Dengkil Daerah Sepang.

6. Landscape Approval via letter from Sepang Local Authority dated November 13, 2009 bearing ref no.: 05MPSEPANG.10/L/CYB/15-2009 for the landscape design plans in respect of the proposed development of the IT Park MKN Embassy Development Techzone Phase 3A including 2 blocks of 9 storey offices (Blocks I &J) including 1 storey of sub basement on Lot PT 12051 Mukim Dengkil Daerah Sepang.

7. Public Works and Drainage Approval via a letter from Public Works Department dated October 29, 2009 bearing ref no.: Bil (3) dlm. JPS Spg D/02/309 in respect of the proposed development of the IT Park MKN Embassy Development Techzone Phase 3A including 2 blocks of 9 storey offices (Blocks I &J) including 1 storey of sub basement on Lot PT 12051 Mukim Dengkil Daerah Sepang.

8. Water works and piping Approval from the Water Works Department letter dated December 28, 2009 bearing ref no.: SYA/DD/SPG/DGKL/PT12051/09/10370 in respect of layout and arrangement of internal water pipes at IT Park MKN Embassy Development Techzone Phase 3A including 2 blocks of 9 storey offices (Blocks I &J) including 1 storey of sub basement on Lot PT 12051 Mukim Dengkil Daerah Sepang.

Embassy Techzones d.o.o. Beograd

1. Contract for Elaboration of the General Regulation Plan for the Information-Technological Park with Accompanying Facilities, Including The Elements of the Detailed Regulation for the 50-Ha Part of the Complex in the Cadastre Municipality of Indjija, dated July 18, 2008, between Embassy Techzones d.o.o. Beograd and JP “Directorate for the Construction of the Municipality of Indjija” and JP “Town-Planning Institute of Vojvodina” Novi Sad.

OTHER REGULATORY AND STATUTORY DISCLOSURES

Authority for the Issue

Authority from our Company

The Issue has been authorised by a resolution of the Board dated June 2, 2010. The shareholders have authorised the Issue by a special resolution passed pursuant to Section 81(1A) of the Companies Act at the EGM of our Company held on June 2, 2010.

Prohibition by SEBI

Our Company, Subsidiaries, Directors, Promoters, Promoter Group, Group Entities and natural persons behind our Promoter, which is a body corporate, have not been prohibited from accessing or operating in the capital markets or restrained from buying, selling or dealing in securities under any order or direction passed by SEBI.

The companies, with which our Promoter, Directors or persons in control of our Company are associated as promoter, directors or persons in control have not been prohibited from accessing or operating in capital markets under any order or direction passed by SEBI.

None of our Directors are associated with any entities, which are engaged in securities market related business and are not are registered with SEBI for the same.

Prohibition by RBI

Our Company, Directors, Promoters, the relatives (as defined under the Companies Act) of our Promoter, the Promoter Group, Group Entities and companies in which our Directors, Promoters are associated as directors or promoters have not been declared as wilful defaulters by RBI or any other governmental authorities.

Eligibility for the Issue

Our Company is eligible for the Issue in accordance with Regulation 26(1) of the SEBI ICDR Regulations as explained under the eligibility criteria calculated in accordance with financial statements under Indian GAAP:

- Our Company has net tangible assets of at least Rs. 30 million in each of the preceding three full years (of 12 months each), of which not more than 50% are held in monetary assets;
- Our Company has a track record of distributable profits in accordance with Section 205 of the Companies Act, for at least three of the immediately preceding five years;
- Our Company has a net worth of at least Rs. 10 million in each of the three preceding full years (of 12 months each);
- The aggregate of the proposed Issue and all previous issues made in the same financial years in terms of the issue size is not expected to exceed five times the pre-Issue net worth of our Company; and
- Our Company was registered as a private limited company under Part IX of the Companies Act, on July 30, 1996 with the name Virwani Builders Private Limited. Our name was changed to Dynasty Developers Private Limited with effect from April 1, 2000, pursuant to a merger with the erstwhile Dynasty Developers Private Limited. Our name was changed to Embassy Property Developments Private Limited pursuant to a certificate of change of name dated April 1, 2010 and further changed to Embassy Property Developments Limited upon conversion into a public limited company on May 25, 2010. However the activity of our Company has not changed since incorporation and we have been carrying on our business under the name and style of Embassy.

Our Company's net profit, dividend, net worth, net tangible assets and monetary assets derived from the Auditor's Report included in this Draft Red Herring Prospectus as at, and for the last five years ended Fiscal 2009 are set forth below:

(*Rs. in Millions*)

Particulars	Fiscal 2009	Fiscal 2008	Fiscal 2007	Fiscal 2006	Fiscal 2005
Distributable Profits (1)	322.44	201.32	254.05	134.57	92.23
Net Worth (2)	13,917.93	717.29	515.97	261.92	127.35
Net Tangible assets (3)	14,049.86	842.18	589.43	332.13	152.59
Monetary assets (4)	237.42	292.29	422.12	123.91	33.82
Monetary assets as a percentage of the net tangible assets	1.69%	31.14%	71.62%	37.31%	22.17%

(1) 'Distributable profits' have been defined in terms of Section 205 of the Companies Act.
(2) 'Net worth' has been defined as the aggregate of equity share capital and reserves, excluding preference share redemption reserve and miscellaneous expenditures, if any.
(3) 'Net tangible assets' means the sum of all net assets of our Company excluding intangible assets as defined in Accounting Standard 26 issued by Institute of Chartered Accountants of India.
(4) Monetary assets comprise of cash and bank balances and public deposit accounts with the Government.

Further, as the Issue size is proposed to be more than 10% and less than 25% of the post Issue paid-up equity share capital, our Company shall ensure that the number of prospective allottees to whom the Equity Shares will be allotted shall not be less than 1,000; otherwise the entire application money will be refunded forthwith. In case of delay, if any, in refund our Company shall pay interest on the application money at the rate of 15% per annum for the period of delay.

Further, the Issue is subject to the fulfilment of the conditions as required by Rule 19(2)(b) of SCRR, and this being an Issue where the post-Issue capital of our Company calculated at Issue Price is more than four thousand crore rupees, at least ten per cent of the Equity Shares shall be Allotted to the public in terms of this Draft Red Herring Prospectus. Further our Company shall bring the public shareholding to the level of at least twenty five per cent by increasing our public shareholding to the extent of at least five per cent per annum beginning from the date of listing of the Equity Shares, in the manner specified by the Securities and Exchange Board of India

Disclaimer Clause of SEBI

IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF THE DRAFT RED HERRING PROSPECTUS TO SEBI SHOULD NOT IN ANY WAY, BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE ISSUE IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE DRAFT RED HERRING PROSPECTUS. THE BOOK RUNNING LEAD MANAGERS, BEING, UBS, NOMURA, CITI AND EDELWEISS HAVE CERTIFIED THAT THE DISCLOSURES MADE IN THE DRAFT RED HERRING PROSPECTUS ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH SEBI (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 AS IN FORCE FOR THE TIME BEING AS THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING AN INVESTMENT IN THE PROPOSED ISSUE.

IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE COMPANY IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THE DRAFT RED HERRING PROSPECTUS, THE BOOK RUNNING LEAD MANAGERS ARE EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE COMPANY DISCHARGES ITS RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE BOOK RUNNING LEAD MANAGERS,

UBS, NOMURA, CITI AND EDELWEISS HAVE FURNISHED TO SEBI A DUE DILIGENCE CERTIFICATE DATED [●] WHICH READS AS FOLLOWS:

WE, THE LEAD MERCHANT BANKER(S) TO THE ABOVE MENTIONED FORTHCOMING ISSUE, STATE AND CONFIRM AS FOLLOWS:

(1) "WE HAVE EXAMINED VARIOUS DOCUMENTS INCLUDING THOSE RELATING TO LITIGATION LIKE COMMERCIAL DISPUTES, PATENT DISPUTES, DISPUTES WITH COLLABORATORS, ETC. AND OTHER MATERIAL IN CONNECTION WITH THE FINALISATION OF THE DRAFT RED HERRING PROSPECTUS PERTAINING TO THE SAID ISSUE;

(2) ON THE BASIS OF SUCH EXAMINATION AND THE DISCUSSIONS WITH THE COMPANY, ITS DIRECTORS AND OTHER OFFICERS, OTHER AGENCIES, AND INDEPENDENT VERIFICATION OF THE STATEMENTS CONCERNING THE OBJECTS OF THE ISSUE, PRICE JUSTIFICATION AND THE CONTENTS OF THE DOCUMENTS AND OTHER PAPERS FURNISHED BY THE COMPANY, WE CONFIRM THAT:

(a) **THE DRAFT RED HERRING PROSPECTUS FILED WITH THE SEBI IS IN CONFORMITY WITH THE DOCUMENTS, MATERIALS AND PAPERS RELEVANT TO THE ISSUE;**

(b) **ALL THE LEGAL REQUIREMENTS RELATING TO THE ISSUE AS ALSO THE REGULATIONS, GUIDELINES, INSTRUCTIONS, ETC. FRAMED/ISSUED BY THE SEBI, THE CENTRAL GOVERNMENT AND ANY OTHER COMPETENT AUTHORITY IN THIS BEHALF HAVE BEEN DULY COMPLIED WITH; AND**

(c) **THE DISCLOSURES MADE IN THE DRAFT RED HERRING PROSPECTUS ARE TRUE, FAIR AND ADEQUATE TO ENABLE THE INVESTORS TO MAKE A WELL INFORMED DECISION AS TO THE INVESTMENT IN THE PROPOSED ISSUE AND SUCH DISCLOSURES ARE IN ACCORDANCE WITH THE REQUIREMENTS OF THE COMPANIES ACT, 1956, THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 AND OTHER APPLICABLE LEGAL REQUIREMENTS.**

(3) WE CONFIRM THAT BESIDES OURSELVES, ALL THE INTERMEDIARIES NAMED IN THE DRAFT RED HERRING PROSPECTUS ARE REGISTERED WITH THE SEBI AND THAT TILL DATE SUCH REGISTRATION IS VALID.

(4) WE HAVE SATISFIED OURSELVES ABOUT THE CAPABILITY OF THE UNDERWRITERS TO FULFILL THEIR UNDERWRITING COMMITMENTS. - <u>NOTED FOR COMPLIANCE</u>.

(5) WE CERTIFY THAT WRITTEN CONSENT FROM PROMOTERS HAS BEEN OBTAINED FOR INCLUSION OF THEIR SPECIFIED SECURITIES AS PART OF PROMOTERS' CONTRIBUTION SUBJECT TO LOCK-IN AND THE SPECIFIED SECURITIES PROPOSED TO FORM PART OF PROMOTERS' CONTRIBUTION SUBJECT TO LOCK-IN SHALL NOT BE DISPOSED / SOLD / TRANSFERRED BY THE PROMOTERS DURING THE PERIOD STARTING FROM THE DATE OF FILING THE DRAFT RED HERRING PROSPECTUS WITH THE SEBI TILL THE DATE OF COMMENCEMENT OF LOCK-IN PERIOD AS STATED IN THE DRAFT RED HERRING PROSPECTUS.

(6) WE CERTIFY THAT REGULATION 33 OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, WHICH RELATES TO SPECIFIED SECURITIES INELIGIBLE FOR COMPUTATION OF PROMOTERS CONTRIBUTION, HAS BEEN DULY COMPLIED WITH AND APPROPRIATE DISCLOSURES AS TO COMPLIANCE WITH THE SAID REGULATION HAVE BEEN MADE IN THE DRAFT RED HERRING PROSPECTUS.

(7) WE UNDERTAKE THAT SUB-REGULATION (4) OF REGULATION 32 AND CLAUSE (C) AND (D) OF SUB-REGULATION (2) OF REGULATION 8 OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 SHALL BE COMPLIED WITH. WE CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT PROMOTERS' CONTRIBUTION SHALL BE RECEIVED AT LEAST ONE DAY BEFORE THE

OPENING OF THE ISSUE. WE UNDERTAKE THAT AUDITORS' CERTIFICATE TO THIS EFFECT SHALL BE DULY SUBMITTED TO THE BOARD. WE FURTHER CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT PROMOTERS' CONTRIBUTION SHALL BE KEPT IN AN ESCROW ACCOUNT WITH A SCHEDULED COMMERCIAL BANK AND SHALL BE RELEASED TO THE COMPANY ALONG WITH THE PROCEEDS OF THE ISSUE. NOT APPLICABLE

(8) WE CERTIFY THAT THE PROPOSED ACTIVITIES OF THE COMPANY FOR WHICH THE FUNDS ARE BEING RAISED IN THE ISSUE FALL WITHIN THE 'MAIN OBJECTS' LISTED IN THE OBJECT CLAUSE OF THE MEMORANDUM OF ASSOCIATION OF THE COMPANY AND THAT THE ACTIVITIES WHICH HAVE BEEN CARRIED OUT UNTIL NOW ARE VALID IN TERMS OF THE OBJECT CLAUSE OF ITS MEMORANDUM OF ASSOCIATION.

(9) WE CONFIRM THAT NECESSARY ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT THE MONEYS RECEIVED PURSUANT TO THE ISSUE ARE KEPT IN A SEPARATE BANK ACCOUNT AS PER THE PROVISIONS OF SUB-SECTION (3) OF SECTION 73 OF THE COMPANIES ACT, 1956 AND THAT SUCH MONEYS SHALL BE RELEASED BY THE SAID BANK ONLY AFTER PERMISSION IS OBTAINED FROM ALL THE STOCK EXCHANGES MENTIONED IN THE DRAFT RED HERRING PROSPECTUS. WE FURTHER CONFIRM THAT THE AGREEMENT ENTERED INTO BETWEEN THE BANKERS TO THE ISSUE AND THE COMPANY SPECIFICALLY CONTAINS THIS CONDITION. NOTED FOR COMPLIANCE

(10) WE CERTIFY THAT A DISCLOSURE HAS BEEN MADE IN THE DRAFT RED HERRING PROSPECTUS THAT THE INVESTORS SHALL BE GIVEN AN OPTION TO GET THE SHARES IN DEMAT OR PHYSICAL MODE. NOT APPLICABLE

AS THE OFFER SIZE IS MORE THAN RS. 10 CRORES, HENCE UNDER SECTION 68B OF THE COMPANIES ACT, 1956, THE EQUITY SHARES ARE TO BE ISSUED IN DEMAT ONLY.

(11) WE CERTIFY THAT ALL THE APPLICABLE DISCLOSURES MANDATED IN THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 HAVE BEEN MADE IN ADDITION TO DISCLOSURES WHICH, IN OUR VIEW, ARE FAIR AND ADEQUATE TO ENABLE THE INVESTOR TO MAKE A WELL INFORMED DECISION.

(12) WE CERTIFY THAT THE FOLLOWING DISCLOSURES HAVE BEEN MADE IN THE DRAFT RED HERRING PROSPECTUS:

(a) **AN UNDERTAKING FROM THE COMPANY THAT AT ANY GIVEN TIME, THERE SHALL BE ONLY ONE DENOMINATION FOR THE EQUITY SHARES OF THE COMPANY; AND**

(b) **AN UNDERTAKING FROM THE COMPANY THAT IT SHALL COMPLY WITH SUCH DISCLOSURE AND ACCOUNTING NORMS SPECIFIED BY THE SEBI FROM TIME TO TIME.**

(13) WE UNDERTAKE TO COMPLY WITH THE REGULATIONS PERTAINING TO ADVERTISEMENT IN TERMS OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 WHILE MAKING THE ISSUE.

(14) WE ENCLOSE A NOTE EXPLAINING HOW THE PROCESS OF DUE DILIGENCE HAS BEEN EXERCISED BY US IN VIEW OF THE NATURE OF CURRENT BUSINESS BACKGROUND OR THE COMPANY, SITUATION AT WHICH THE PROPOSED BUSINESS STANDS, THE RISK FACTORS, PROMOTERS EXPERIENCE, ETC.

(15) WE ENCLOSE A CHECKLIST CONFIRMING REGULATION-WISE COMPLIANCE WITH THE APPLICABLE PROVISIONS OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, CONTAINING DETAILS SUCH AS THE REGULATION NUMBER, ITS TEXT, THE STATUS OF COMPLIANCE, PAGE NUMBER OF THE DRAFT RED HERRING PROSPECTUS WHERE THE REGULATION HAS BEEN COMPLIED WITH AND OUR COMMENTS, IF ANY."

The filing of the Draft Red Herring Prospectus does not, however, absolve our Company from any liabilities under Section 63 and Section 68 of the Companies Act or from the requirement of obtaining such statutory and other clearances as may be required for the purpose of the proposed Issue. SEBI further reserves the right to take up at any point of time, with the JGCBRLMs and the BRLMs and any irregularities or lapses in the Prospectus.

All legal requirements pertaining to the Issue will be complied with at the time of filing of the Red Herring Prospectus with the Registrar of Companies, Karnataka in terms of Section 60B of the Companies Act. All legal requirements pertaining to the Issue will be complied with at the time of registration of the Prospectus with the Registrar of Companies, Karnataka in terms of Sections 56, 60 and 60B of the Companies Act.

Caution - Disclaimer from our Company and the JGCBRLMs and the BRLMs

Our Company, our Directors, the JGCBRLMs and the BRLMs accept no responsibility for statements made otherwise than in this Draft Red Herring Prospectus or in the advertisements or any other material issued by or at our instance and anyone placing reliance on any other source of information, including our web site www. embassyindia.com would be doing so at his or her own risk.

The JGCBRLMs and the BRLMs accept no responsibility, save to the limited extent as provided in the agreement entered into among the JGCBRLMs, the BRLMs and our Company dated [●] and the Underwriting Agreement to be entered into between the Underwriters and our Company.

All information shall be made available by us, the JGCBRLMs and the BRLMs to the public and investors at large and no selective or additional information would be available for a section of the investors in any manner whatsoever including at road show presentations, in research or sales reports, at bidding centers or elsewhere.

Our Company, the JGCBRLMs, the BRLMs and the Underwriters shall not be liable to the Bidders for any failure in downloading the Bids due to faults in any software/hardware system or otherwise.

The JGCBRLMs, the BRLMs and their respective associates and affiliates may engage in transactions with, and perform services for, our Company and our Group Entities, affiliates or Associates in the ordinary course of business and have engaged, or may in future engage, in commercial banking and investment banking transactions with our Company and our Group Entities, affiliates or Associates for which they have received, and may in future receive, compensation.

Investors that Bid in the Issue will be required to confirm and will be deemed to have represented to our Company and the Underwriters and their respective directors, officers, agents, affiliates and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares of our Company and will not offer, sell, pledge or transfer the Equity Shares of our Company to any person who is not eligible under applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares of our Company. Our Company, the Underwriters and their respective directors, officers, agents, affiliates and representatives accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire Equity Shares of our Company.

Disclaimer in respect of Jurisdiction

This Issue is being made in India to persons resident in India (including Indian nationals resident in India who are not minors, HUFs, companies, corporate bodies and societies registered under the applicable laws in India and authorised to invest in shares, Indian Mutual Funds registered with SEBI, Indian financial institutions, commercial banks, regional rural banks, co-operative banks (subject to RBI permission), or trusts under applicable trust law and who are authorised under their constitution to hold and invest in shares, permitted insurance companies and pension funds), eligible NRIs and to FIIs. This Draft Red Herring Prospectus does not, however, constitute an invitation to purchase shares offered hereby in any jurisdiction other than India to any person to whom it is unlawful to make an offer or invitation in such

jurisdiction. Any person into whose possession this Draft Red Herring Prospectus comes is required to inform himself or herself about, and to observe, any such restrictions. Any dispute arising out of this Issue will be subject to the jurisdiction of appropriate court(s) in Bangalore only.

No action has been, or will be, taken to permit a public offering in any jurisdiction where action would be required for that purpose, except that this Draft Red Herring Prospectus has been filed with SEBI for its observations and SEBI shall give its observations in due course. Accordingly, the Equity Shares represented thereby may not be offered or sold, directly or indirectly, and this Draft Red Herring Prospectus may not be distributed, in any jurisdiction, except in accordance with the legal requirements applicable in such jurisdiction. Neither the delivery of this Draft Red Herring Prospectus nor any sale hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of our Company since the date hereof or that the information contained herein is correct as of any time subsequent to this date.

The Equity Shares have not been and will not be registered under the US Securities Act of 1933 (the "Securities Act") or any state securities laws in the United States and may not be offered or sold within the United States or to, or for the account or benefit of, "U.S. persons" (as defined in Regulation S under the Securities Act), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. Accordingly, the Equity Shares are only being offered and sold (i) in the United States to "qualified institutional buyers", as defined in Rule 144A of the Securities Act in reliance on Rule 144A under the Securities Act, and (ii) outside the United States to certain persons in offshore transactions in compliance with Regulation S under the Securities Act.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

Disclaimer Clause of the NSE

As required, a copy of the Draft Red Herring Prospectus had been submitted to NSE. The Disclaimer Clause as intimated by NSE to our Company, post scrutiny of this Draft Red Herring Prospectus, shall be included in the Red Herring Prospectus prior to the RoC filing.

Disclaimer Clause of BSE

As required, a copy of the Draft Red Herring Prospectus had been submitted to the BSE. The Disclaimer Clause as intimated by the BSE to our Company, post scrutiny of this Draft Red Herring Prospectus, shall be included in the Red Herring Prospectus prior to the RoC filing.

Filing

A copy of the Draft Red Herring Prospectus has been filed with SEBI at Corporation Finance Department, Plot No.C4-A,'G' Block, Bandra Kurla Complex, Bandra (East), Mumbai 400051.

A copy of the Red Herring Prospectus, along with the documents required to be filed under Section 60B of the Companies Act, would be delivered for registration to the RoC and a copy of the Prospectus to be filed under Section 60 of the Companies Act would be delivered for registration with RoC at the Office of the Registrar of Companies, E' wing, Second floor, Kendriya Sadana, Koramangala, Bangalore 560034, Karnataka, India

Listing

Applications have been made to the BSE and the NSE for permission to deal in and for an official quotation of the Equity Shares. [●] will be the Designated Stock Exchange with which the Basis of Allotment will be

finalised.

If the permissions to deal in and for an official quotation of the Equity Shares are not granted by any of the Stock Exchanges mentioned above, our Company will forthwith repay, without interest, all moneys received from the applicants in pursuance of this Draft Red Herring Prospectus. If such money is not repaid within 8 days after our Company becomes liable to repay it, i.e. from the date of refusal or within 70 days from the Bid/Issue Closing Date, whichever is earlier, then our Company and every Director of our Company who is an officer in default shall, on and from such expiry of 8 days, be liable to repay the money, with interest at the rate of 15% p.a. on application money, as prescribed under Section 73 of the Companies Act.

Our Company shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges mentioned above are taken within 7 Working Days of finalisation of the Basis of Allotment for the Issue.

Impersonation

Attention of the applicants is specifically drawn to the provisions of sub-section (1) of Section 68 A of the Companies Act, which is reproduced below:

"*Any person who:*

(a) makes in a fictitious name, an application to a company for acquiring or subscribing for, any shares therein, or

(b) otherwise induces a company to allot, or register any transfer of shares, therein to him, or any other person in a fictitious name,

shall be punishable with imprisonment for a term which may extend to five years."

Consents

Consents in writing of: (a) the Directors, the Company Secretary and Compliance Officer, the Auditors, Bankers to the Company and Bankers to the Issue; and (b) the JGCBRLMs, the BRLMs and Syndicate Members, Escrow Collection Bankers, Registrar to the Issue, the Monitoring Agent, Domestic Legal Counsel to the Company, Domestic Legal Counsel to the JGCBRLMs and the BRLMs, International Legal Counsel to the JGCBRLMs and the BRLMs, Legal Counsel to the Company on Malaysian law, Legal Counsel to the Company on Malaysian law; Legal Counsel to the Issue for expert opinion in relation to title of land and Architects providing an expert opinion in relation to Developable Area and Gross Saleable Area, have been obtained and will be filed along with a copy of the Red Herring Prospectus with the RoC, as required under Sections 60 and 60B of the Companies Act and such consents shall not be withdrawn up to the time of delivery of the Red Herring Prospectus for registration with the RoC.

The Auditors, BSR and Co., Chartered Accountants, have given their written consent to the inclusion of their financial report as well as report in relation to tax benefits accruing to our Company and our members in the form and context in which it appears in this Draft Red Herring Prospectus and such consent has not been withdrawn up to the time of delivery of the Red Herring Prospectus for registration with the RoC.

Expert Opinion

Except the report of CRISIL in respect of the IPO grading of this Issue annexed herewith, the opinion from the Legal Counsel to the Issue for expert opinion in relation to title of land and the Architect's expert opinion in relation with respect to the Developable Area and Gross Saleable Area disclosed in this Draft Red Herring Prospectus, our Company has not obtained any expert opinions.

CRISIL, the IPO grading agency engaged by our Company for the purpose of obtaining IPO grading in respect of this Issue, have given their written consent as experts to the inclusion of their report in the form and context in which they will appear in the Red Herring Prospectus and such consents and reports will not be withdrawn up to the time of delivery of the Red Herring Prospectus and the Prospectus to the Registrar of Companies.

Expenses of the Issue

The total expenses of the Issue are estimated to be approximately Rs. [●] million. The expenses of this Issue include, among others, underwriting and management fees, SCSB's commission/ fees, selling commission, printing and distribution expenses, legal fees, statutory advertisement expenses and listing fees. All expenses with respect to the Issue would be paid by our Company.

The estimated Issue expenses are as under:

(Rs. in Millions)

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

**To be completed after finalisation of issue price*

Fees Payable to the JGCBRLMs, the BRLMs and the Syndicate Members

The total fees payable to the JGCBRLMs, the BRLMs and the Syndicate Members will be as per the engagement letter dated July 12, 2010 with the JGCBRLMs and the BRLMs, issued by our Company, a copy of which is available for inspection at the Registered Office.

Fees Payable to the Registrar to the Issue

The fees payable by our Company to the Registrar to the Issue for processing of application, data entry, printing of CAN/refund order, preparation of refund data on magnetic tape, printing of bulk mailing register will be as the per the agreement between our Company and the Registrar to the Issue dated [●].

The Registrar to the Issue will be reimbursed for all out of pocket expenses including cost of stationery, postage, stamp duty, and communication expenses. Adequate funds will be provided to the Registrar to the Issue to enable them to send refund orders or Allotment advice by registered post/speed post/under certificate of posting.

Underwriting commission, brokerage and selling commission on Previous Issues

Since this is the initial public offer of our Company, no sum has been paid or has been payable as commission or brokerage for subscribing to or procuring or agreeing to procure subscription for any of the

Equity Shares since its inception.

Previous Rights and Public Issues

Our Company has not made any previous rights and public issues in India or abroad in the five years preceding the date of this Draft Red Herring Prospectus.

Previous issues of shares otherwise than for cash

Except as stated in "Capital Structure" on page 34, our Company has not made any previous issues of shares for consideration otherwise than for cash.

Companies under the same management

No company under the same management (within the meaning of Section 370(1)(B) of the Companies Act) as our Company has made any public issue during the last three years.

Promise v. performance – Promoter and Promoter Group /Group Entities

Our Company, Subsidiary, associates and Group Entities have not made any previous rights and public issues.

Outstanding Debentures, Bond Issues, or Preference Shares

Our Company has not issued any debentures, bonds or preference shares.

Stock Market Data for the Equity Shares

This being an initial public offering of our Company, the Equity Shares of our Company are not listed on any stock exchange.

Mechanism for Redressal of Investor Grievances

The agreement between the Registrar to the Issue and our Company will provide for retention of records with the Registrar to the Issue for a period of at least six months from the last date of despatch of the letters of allotment, demat credit and refund orders to enable the investors to approach the Registrar to the Issue for redressal of their grievances.

All grievances relating to the Issue may be addressed to the Registrar to the Issue, giving full details such as name, address of the applicant, number of Equity Shares applied for, amount paid on application and the bank branch or collection centre where the application was submitted.

All grievances relating to the ASBA process may be addressed to the SCSB, giving full details such as name, address of the applicant, application number, number of Equity Shares applied for, amount paid on application and the Designated Branch or the collection centre of the SCSB where the ASBA Bid cum Application Form was submitted by the ASBA Bidders.

Disposal of Investor Grievances

Our Company or the Registrar to the Issue or the SCSB in case of ASBA Bidders shall redress routine investor grievances within seven Working Days from the date of receipt of the complaint. In case of non-routine complaints and complaints where external agencies are involved, our Company will seek to redress these complaints as expeditiously as possible.

Our Company has also appointed J. Veerraju, Company Secretary of our Company as the Compliance Officer for this Issue and he may be contacted in case of any pre-Issue or post-Issue related problems, at the

following address:

First Floor, Embassy Point
150, Infantry Road
Bangalore 560 001, Karnataka
Tel: (91 80) 4179 9999
Fax: (91 80) 2228 6912
Email: cs@embassyindia.com

Change in Auditors

The changes in the Auditors of our Company in the last three years are detailed below:

S. No.	Name of Auditor	Date of Appointment	Date of Cessation	Reason for Change
1.	K.S. Sanghvi & Co., Chartered Accountants	November 23, 1998	May 31, 2009	Expressed unwillingness to be reappointed as statutory auditors.
2.	BSR and Co., Chartered Accountants	June 1, 2009 (Re-appointed on April 25, 2010)	Continuing	Appointment

Capitalisation of Reserves or Profits

Our Company has not capitalised its reserves or profits since its incorporation, except as stated in this Draft Red Herring Prospectus.

Revaluation of Assets

Our Company has not re-valued its assets in the last five years.

Purchase of Property

Other than as disclosed in this Draft Red Herring Prospectus there is no property which has been purchased or acquired or is proposed to be purchased or acquired which is to be paid for wholly or partly from the proceeds of the present Issue or the purchase or acquisition of which has not been completed on the date of this Draft Red Herring Prospectus, other than property, in respect of which:

- The contract for the purchase or acquisition was entered into in the ordinary course of business, or the contract was entered into in contemplation of the Issue, or that the Issue was contemplated in consequence of the contract; or

- The amount of the purchase money is not material.

Our Promoters may also be deemed to be interested in our Company to the extent that they or any entities promoted by them hold an interest in any of our existing, ongoing or forthcoming/ proposed projects or the lands on which they are being developed. For details please refer to History and Corporate Structure on page 202, Group Entities on page 241 and Our Business on page 120.

Servicing Behaviour

There has been no default in payment of statutory dues or of interest or principal in respect of the borrowings or deposits of our Company.

Payment or benefit to officers of our Company

Except statutory benefits upon termination of their employment in our Company or superannuation, no officer of our Company is entitled to any benefit upon termination of his employment in our Company or superannuation.

Except as disclosed in "Related Party Transactions" on page 421, none of the beneficiaries of loans and advances and sundry debtors are related to the Directors of our Company.

SECTION VII – ISSUE INFORMATION

TERMS OF THE ISSUE

The Issue shall be subject to the provisions of the Companies Act, the SCRR, the Memorandum and the Articles, the terms of this Draft Red Herring Prospectus and the Prospectus, Bid cum Application Form, the Revision Form, the CAN and other terms and conditions as may be incorporated in the Allotment advices and other documents/ certificates that may be executed in respect of the Issue. The Equity Shares shall also be subject to laws, guidelines, notifications and regulations relating to the issue of capital and listing of securities issued from time to time by SEBI, the Government of India, Stock Exchanges, RoC, RBI and/or other authorities, as in force on the date of the Issue and to the extent applicable.

Ranking of Equity Shares

The Equity Shares being issued shall be subject to the provisions of the Memorandum and the Articles and shall rank *pari-passu* with the existing Equity Shares of our Company including rights in respect of dividend. The Allotees in receipt of Allotment of Equity Shares under this Issue will be entitled to dividends and other corporate benefits, if any, declared by our Company after the date of Allotment. For further details, please see "Main Provisions of the Articles of Association" on page 619.

Mode of Payment of Dividend

Our Company shall pay dividends to the shareholders in accordance with the provisions of the Companies Act, the Articles and the provision of the Listing Agreements.

Face Value and Issue Price

The face value of the Equity Shares is Rs. 10 each and the Issue Price is Rs. [●] per Equity Share. The Anchor Investor Issue Price is Rs. [●] per Equity Share.

At any given point of time there shall be only one denomination for the Equity Shares.

Compliance with SEBI ICDR Regulations

We shall comply with all disclosure and accounting norms as specified by SEBI from time to time.

Rights of the Equity Shareholder

Subject to applicable laws, the equity shareholders shall *inter alia* have the following rights:

- Right to receive dividend, if declared;
- Right to attend general meetings and exercise voting powers, unless prohibited by law;
- Right to vote on a poll either in person or by proxy;
- Right to receive offers for rights shares and be allotted bonus shares, if announced;
- Right to receive surplus on liquidation;
- Right of free transferability; and
- Such other rights, as may be available to a shareholder of a listed public company under the Companies Act, the terms of the Listing Agreements executed with the Stock Exchanges and the

Memorandum and Articles.

For a detailed description of the main provisions of the Articles relating to voting rights, dividend, forfeiture and lien and/or consolidation/splitting, see "Main Provisions of the Articles of Association" on page 619.

Market Lot and Trading Lot

The Equity Shares shall be allotted only in dematerialised form and trading shall only be in dematerialised form. Since trading of the Equity Shares is in dematerialised form, the tradable lot is one Equity Share. Allotment in this Issue will be only in electronic form in multiples of one Equity Share subject to a minimum Allotment of [●] Equity Shares.

The Price Band and the minimum Bid lot size for the Issue will be decided by our Company in consultation with the JGCBRLMs and the BRLMs and advertised in [●] edition of [●], an English national daily newspaper, [●] edition of [●], a Hindi national daily newspaper and [●] edition of [●], a Kannada newspaper, each with wide circulation, at least two Working Days prior to the Bid/ Issue Opening Date.

Jurisdiction

Exclusive jurisdiction for the purpose of this Issue is with the competent courts/authorities in Bangalore.

Nomination Facility to Investor

The sole or first Bidder, along with other joint Bidders, may nominate any one person in whom, in the event of the death of sole Bidder or in case of joint Bidders, death of all the Bidders, as the case may be, the Equity Shares allotted, if any, shall vest. A person, being a nominee, entitled to the Equity Shares by reason of the death of the original holder(s), shall be entitled to the same advantages to which he or she would be entitled if he or she were the registered holder of the Equity Share(s). Where the nominee is a minor, the holder(s) may make a nomination to appoint, in the prescribed manner, any person to become entitled to Equity Share(s) in the event of his or her death during the minority. A nomination shall stand rescinded upon a sale of equity share(s) by the person nominating. A buyer will be entitled to make a fresh nomination in the manner prescribed. Fresh nomination can be made only on the prescribed form available on request at the Registered Office or to the Registrar.

Further, any person who becomes a nominee shall, upon the production of such evidence as may be required by the Board, elect either:

- To register himself or herself as the holder of the Equity Shares; or
- To make such transfer of the Equity Shares, as the deceased holder could have made.

Further, the Board may at any time give notice requiring any nominee to choose either to be registered himself or herself or to transfer the Equity Shares, and if the notice is not complied with within a period of ninety days, the Board may thereafter withhold payment of all dividends, bonuses or other moneys payable in respect of the Equity Shares, until the requirements of the notice have been complied with.

Since the Allotment of Equity Shares in the Issue will be made only in dematerialised form, there is no need to make a separate nomination with our Company. Nominations registered with respective depository participant of the applicant would prevail. If the investors require changing their nomination, they are requested to inform their respective depository participant.

Minimum Subscription

If our Company does not receive the minimum subscription of 90% of the Issue, including devolvement of underwriters within 60 days from the Bid/Issue Closing Date, our Company shall forthwith refund the

entire subscription amount received not later than 70 days from the Bid/Issue Closing Date. If there is a delay beyond eight days after our Company becomes liable to pay the amount, our Company shall pay interest prescribed under Section 73 of the Companies Act.

If at least 50% of the Issue cannot be allocated to QIBs, then the entire application money will be refunded forthwith.

Further, we shall ensure that the number of prospective allotees to whom Equity Shares will be allotted shall not be less than 1,000.

The Equity Shares have not been and will not be registered under the US Securities Act of 1933 (the "Securities Act") or any state securities laws in the United States and may not be offered or sold within the United States or to, or for the account or benefit of, "U.S. persons" (as defined in Regulation S under the Securities Act), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. Accordingly, the Equity Shares are only being offered and sold (i) in the United States to "qualified institutional buyers", as defined in Rule 144A of the Securities Act, in reliance on Rule 144A under the Securities Act, and (ii) outside the United States to certain persons in offshore transactions in compliance with Regulation S under the Securities Act.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

Arrangement for disposal of odd lots

There are no arrangements for disposal of odd lots.

Restriction on transfer of shares

Except for lock-in of the pre-Issue Equity Shares, Promoter's minimum contribution and Anchor Investor lock-in in the Issue as detailed in "Capital Structure" on page 34, and except as provided in the Articles, there are no restrictions on transfers of Equity Shares. There are no restrictions on transfers of debentures except as provided in the Articles. There are no restrictions on transmission of shares/ debentures and on their consolidation/ splitting except as provided in the Articles. Please see "Main Provisions of the Articles of Association" on page 619.

ISSUE STRUCTURE

Issue of [●] Equity Shares for cash at a price of Rs. [●] per Equity Share (including share premium of Rs. [●] per Equity Share) aggregating to Rs. 24,000 million. The Issue comprises of [●] Equity Shares to the public. The Issue will constitute [●] of the post-Issue paid-up equity share capital of our Company. Our Company is considering a Pre-IPO Placement of up to 57,500,000 Equity Shares and/or aggregating up to Rs. 11,750,000,000 with various investors. If the Pre-IPO Placement is completed the Issue size offered to the public would be reduced by the extent of such Pre-IPO Placement, subject to a minimum Issue size of 10% of the post Issue paid-up equity share capital of our Company.

The Issue is being made through the 100% Book Building Process.

	QIBs#	**Non-Institutional Bidders**	**Retail Individual Bidders**
Number of Equity Shares*	At least [●] Equity Shares	Not less than [●] Equity Shares available for allocation or Issue less allocation to QIB Bidders and Retail Individual Bidders.	Not less than [●] Equity Shares available for allocation or Issue less allocation to QIB Bidders and Non-Institutional Bidders.
Percentage of Issue Size available for Allotment	Not more than 50% of the Issue Size being allocated. However, up to 5% of the QIB Portion (excluding the Anchor Investor Portion) shall be available for allocation proportionately to Mutual Funds only.	Not less than 15% of the Issue or Net the Issue less allocation to QIB Bidders and Retail Individual Bidders.	Not less than 35% of the Issue or Net the Issue less allocation to QIB Bidders and Non-Institutional Bidders.
Basis of Allotment if respective category is oversubscribed	Proportionate as follows: (a) [●] Equity Shares shall be allocated on a proportionate basis to Mutual Funds only; and (b) [●] Equity Shares shall be allotted on a proportionate basis to all QIBs including Mutual Funds receiving allocation as per (a) above.	Proportionate	Proportionate
Minimum Bid	Such number of Equity Shares in multiples of [●] that the Bid Amount exceeds Rs. 100,000.	Such number of Equity Shares in multiples of [●] that the Bid Amount exceeds Rs. 100,000.	[●] Equity Shares in multiples of [●] Equity Shares.
Maximum Bid	Such number of Equity Shares not exceeding	Such number of Equity Shares not exceeding	Such number of Equity Shares whereby the Bid

	QIBs#	Non-Institutional Bidders	Retail Individual Bidders
	the Issue, subject to applicable limits.	the Issue subject to applicable limits.	Amount does not exceed Rs. 100,000.**
Mode of Allotment	Compulsorily in dematerialised form.	Compulsorily in dematerialised form.	Compulsorily in dematerialised form.
Bid Lot	[●] Equity Shares and in multiples of [●] Equity Shares thereafter.	[●] Equity Shares and in multiples of [●] Equity Shares thereafter.	[●] Equity Shares and in multiples of [●] Equity Shares thereafter.
Allotment Lot	[●] Equity Shares and in multiples of one Equity Share thereafter	[●] Equity Shares and in multiples of one Equity Share thereafter	[●] Equity Shares and in multiples of one Equity Share thereafter
Trading Lot	One Equity Share	One Equity Share	One Equity Share
Who can Apply ***	Public financial institutions as specified in Section 4A of the Companies Act, scheduled commercial banks, mutual fund registered with SEBI, FII and sub-account registered with SEBI, other than a sub-account which is a foreign corporate or foreign individual, venture capital fund registered with SEBI, state industrial development corporation, insurance company registered with IRDA, provident fund with minimum corpus of Rs. 250 million, pension fund with minimum corpus of Rs. 250 million and National Investment Fund set up by Government of India and insurance funds set up and managed by army, navy or air force of the Union of India.	Resident Indian individuals, Eligible NRIs, HUF (in the name of Karta), companies, corporate bodies, scientific institutions societies and trusts, sub-accounts of FIIs registered with SEBI, which are foreign corporates or foreign individuals.	Retail Individual Bidders
Terms of Payment	Bid Amount shall be payable at the time of submission of Bid cum	Bid Amount shall be payable at the time of submission of Bid cum	Bid Amount shall be payable at the time of submission of Bid cum

	QIBs#	Non-Institutional Bidders	Retail Individual Bidders
	Application Form to the Syndicate Members. (except for Anchor Investors)	Application Form.##	Application Form.##
Margin Amount	Full Bid Amount on bidding	Full Bid Amount on bidding	Full Bid Amount on bidding

Our Company may allocate up to 30% of the QIB Portion to Anchor Investors on a discretionary basis. One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the price at which allocation is being done to other Anchor Investors. For further details, see "Issue Procedure" on page 586.

In case of Bidders submitting ASBA Bid cum Application Form, the SCSB shall be authorised to block an amount equal to the Bid Amount in the ASBA Account of the Bidder specified in the ASBA Bid cum Application Form.

* Subject to valid Bids being received at or above the Issue Price, in accordance with Rule 19(2)(b) of the SCRR, this being an Issue for less than 25% of the post–Issue capital, the Issue is being made through the 100% Book Building Process wherein not more than 50% of the Issue will be allocated on a proportionate basis to QIBs. Out of the QIB Portion (excluding the Anchor Investor Portion), 5% shall be available for allocation on a proportionate basis to Mutual Funds only. The remainder shall be available for allocation on a proportionate basis to QIBs and Mutual Funds, subject to valid Bids being received from them at or above the Issue Price. If at least 50% of the Issue cannot be Allotted to QIBs, then the entire application money will be refunded forthwith. However, if the aggregate demand from Mutual Funds is less than [●] Equity Shares, the balance Equity Shares available for Allotment in the Mutual Fund Portion will be added to the QIB Portion and Allotted proportionately to the QIB Bidders in proportion to their Bids. Further, not less than 15% of the Issue will be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 35% of the Issue will be available for allocation on a proportionate basis to Retail Individual Bidders, subject to valid Bids being received at or above the Issue Price.

Under-subscription, if any, in any category except in the QIB category would be met with spill-over from other categories at the discretion of our Company in consultation with the JGCBRLMs and the BRLMs.

** Retail Individual Bidders should note that the Retail Discount will not be offered on application but will be offered on Allotment. Hence, Retail Individual Bidders should not deduct the Retail Discount while submitting the Bid cum Application Form. The excess amount paid at the time of bidding shall be refunded to the Retail Individual Bidders on Allotment.

*** In case the Bid cum Application Form is submitted in joint names, the Bidders should ensure that the demat account is also held in the same joint names and are in the same sequence in which they appear in the Bid cum Application Form.

Withdrawal of the Issue

Our Company, in consultation with the JGCBRLMs and the BRLMs, reserves the right not to proceed with the Issue anytime after the Bid/Issue Opening Date but before the Allotment of Equity Shares. In such an event our Company would issue a public notice in the newspapers, in which the pre-Issue advertisements were published, within two days of the Bid/ Issue Closing Date, providing reasons for not proceeding with the Issue. Our Company shall also inform the Stock Exchanges on which the Equity Shares are proposed to be listed of its decision not to proceed with the Issue.

Any further issue of Equity Shares by our Company shall be in compliance with applicable laws.

Bid/ Issue Programme

Bid opens on: [●]*
Bid closes on: For QIB Bidders [●] **For Retail and Non-Institutional Bidders: [●]**

* *Our Company may consider participation by Anchor Investors. The Anchor Investor Bid/ Issue Period shall be one Working Day prior to the Bid/ Issue Opening Date.*

Bids and any revision in Bids shall be accepted **only between 10.00 a.m. and 5.00 p.m**. (Indian Standard Time, "IST") during the Bid/ Issue Period as mentioned above at the bidding centres mentioned on the Bid cum Application Form.

On the Bid/ Issue Closing Date, the Bids (excluding the ASBA Bids) shall be accepted only between (i) 10.00 a.m. and 4.00 p.m. (IST) and uploaded until 5.00 p.m. (IST) in case of Bids by QIB Bidders, (ii) 10.00 a.m. and 3.00 p.m. (IST) and uploaded until 4.00 p.m. (IST) in case of Bids by Non-Institutional Bidders and (iii) 10.00 a.m. and 3.00 p.m. (IST) and uploaded until 5.00 p.m. (IST) or such extended time as permitted by the BSE and the NSE, in case of Bids by Retail Individual Bidders.

It is clarified that the Bids not uploaded in the book would be rejected. Bids by the Bidders applying through ASBA process shall be uploaded by the SCSB in the electronic system to be provided by the Stock Exchanges.

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. (IST) 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, some Bids may not get uploaded due to lack of sufficient time. Such Bids that cannot be uploaded will not be considered for allocation under the Issue. Bids will be accepted only on Working Days.

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

Our Company, in consultation with the JGCBRLMs and the BRLMs, reserves the right to revise the Price Band during the Bid/ Issue Period, provided that the Cap Price shall be less than or equal to 120% of the Floor Price and the Floor Price shall not be less than the face value of the Equity Shares. The revision in Price Band shall not exceed 20% on the either side i.e. the floor price can move up or down to the extent of 20% of the floor price disclosed at least two Working Days prior to the Bid/ Issue Opening Date and the Cap Price will be revised accordingly.

In case of revision of the Price Band, the Bid/ Issue Period will be extended for three additional Working Days after revision of Price Band subject to the Bid/ Issue Period not exceeding 10 Working Days. Any revision in the Price Band and the revised Bid/ Issue Period, if applicable, will be widely disseminated by notification to the Stock Exchanges, by issuing a press release and also by indicating the changes on the websites of the JGCBRLMs, the BRLMs and at the terminals of the Syndicate.

ISSUE PROCEDURE

This section applies to all Bidders. Please note that all Bidders can participate in the Issue through the ASBA process. ASBA Bidders should note that the ASBA process involves application procedures that are different from the procedure applicable to Bidders other than the ASBA Bidders. Bidders applying through the ASBA process should carefully read the provisions applicable to such applications before making their application through the ASBA process. Please note that all the Bidders are required to make payment of the full Bid Amount along with the Bid cum Application Form.

Book Building Procedure

The Issue is being made through the 100% Book Building Process wherein not more than 50% of the Issue shall be allocated to QIBs on a proportionate basis. Out of the QIB Portion (excluding Anchor Investor Portion), 5% shall be available for allocation on a proportionate basis to Mutual Funds only. The remainder shall be available for allocation on a proportionate basis to QIBs and Mutual Funds, subject to valid Bids being received from them at or above the Issue Price. If at least 50% of the Issue cannot be Allotted to QIBs, then the entire application money will be refunded forthwith. Further, not less than 15% of the Issue will be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 35% of the Issue will be available for allocation on a proportionate basis to Retail Individual Bidders, subject to valid Bids being received at or above the Issue Price. Allocation to Anchor Investors shall be on a discretionary basis and not on a proportionate basis.

All Bidders other than the ASBA Bidders are required to submit their Bids through the Syndicate. ASBA Bidders are required to submit their Bids to the SCSBs. Bids by QIBs shall be submitted only to the JGCBRLMs or the BRLMs, other than Bids by QIBS who Bid through the ASBA process, who shall submit the Bids to the Designated Branch of the SCSBs.

Investors should note that the Equity Shares will be Allotted to all successful Bidders only in dematerialised form. The Bid cum Application Forms which do not have the details of the Bidders' depository account shall be treated as incomplete and rejected. Bidders will not have the option of being Allotted Equity Shares in physical form. The Equity Shares on Allotment shall be traded only in the dematerialised segment of the Stock Exchanges.

Bid cum Application Form

The prescribed colour of the Bid cum Application Form for the various categories is as follows:

Category	Colour of Bid cum Application Form
Resident Indians and Eligible NRIs applying on a non-repatriation basis	[●]
Eligible NRIs applying on a repatriation basis, or FIIs and their sub-accounts registered with SEBI other than a sub-account which is a foreign corporate or foreign individual applying on a repatriation basis	[●]
Resident ASBA Bidders	[●]
Non-Resident ASBA Bidders	[●]
Anchor Investors*	[●]

**Bid cum Application forms for Anchor Investors have been made available at the offices of the JGCBRLMs and the BRLMs.*

Bidders (other than ASBA Bidders) are required to submit their Bids through the Syndicate. Such Bidders shall only use the specified Bid cum Application Form bearing the stamp of a member of the Syndicate for the purpose of making a Bid in terms of the 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.

ASBA Bidders shall submit an ASBA Bid cum Application Form to the SCSB authorising blocking of funds that are available in the ASBA Account. Only QIBs can participate in the Anchor Investor Portion.

Upon the filing of the Prospectus with the RoC, the Bid cum Application Form shall be considered as the Application Form. Upon completion and submission of the Bid cum Application Form to a Syndicate or the SCSB, the Bidder or the ASBA Bidder is deemed to have authorised our Company to make the necessary changes in the Red Herring Prospectus as would be required for filing the Prospectus with the RoC and as would be required by RoC after such filing, without prior or subsequent notice of such changes to the Bidder or the ASBA Bidder.

Who can Bid?

- Indian nationals resident in India who are not minors in single or joint names (not more than three);
- Hindu Undivided Families or HUFs, in the individual name of the *Karta*. The Bidder should specify that the Bid is being made in the name of the HUF in the Bid cum Application Form as follows: "Name of Sole or First bidder: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the *Karta*". Bids by HUFs would be considered at par with those from individuals;
- Companies, corporate bodies and societies registered under the applicable laws in India and authorised to invest in equity shares;
- Mutual Funds registered with SEBI;
- Eligible NRIs on a repatriation basis or on a non repatriation basis subject to applicable laws. NRIs other than eligible NRIs are not eligible to participate in this issue;
- Indian financial institutions, commercial banks (excluding foreign banks), regional rural banks, co-operative banks (subject to RBI regulations and the SEBI ICDR Regulations and other laws, as applicable);
- FIIs and sub-accounts registered with SEBI, other than a sub-account which is a foreign corporate or foreign individual;
- Venture Capital Funds registered with SEBI;
- State Industrial Development Corporations;
- Trusts/societies registered under the Societies Registration Act, 1860, as amended, or under any other law relating to trusts/societies and who are authorised under their respective constitutions to hold and invest in equity shares;
- Scientific and/or industrial research organisations authorised to invest in equity shares;
- Insurance Companies registered with Insurance Regulatory and Development Authority;
- Provident Funds with a minimum corpus of Rs. 250 million and who are authorised under their constitution to hold and invest in equity shares;
- Pension Funds with a minimum corpus of Rs. 250 million and who are authorised under their constitution to hold and invest in equity shares;

- National Investment Fund; and

- Insurance funds set up and managed by the army, navy or air force of the Union of India; and

Note: Non residents such as FVCIs, multilateral and bilateral development financial institutions are not permitted to participate in the Issue. As per the existing regulations, OCBs cannot participate in this Issue.

Participation by associates and affiliates of the JGCBRLMs, the BRLMs and the Syndicate Members

The JGCBRLMs, the BRLMs and the Syndicate Members shall not be allowed to subscribe to this Issue in any manner except towards fulfilling their underwriting obligations. However, the associates and affiliates of the JGCBRLMs, the BRLMs and Syndicate Members may subscribe to or purchase Equity Shares in the Issue, either in the QIB Portion or in Non-Institutional Portion as may be applicable to such Bidders, where the allocation is on a proportionate basis. Such Bidding and subscription may be on their own account or on behalf of their clients.

The JGCBRLMs, the BRLMs, the Syndicate Members and any persons related to the JGCBRLMs and the BRLMs and the Syndicate Members or the Promoter and the Promoter Group cannot apply in the Issue under the Anchor Investor Portion.

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 [●] 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.

One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the price at which allocation is being done to other Anchor Investors.

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.

No mutual fund scheme shall invest more than 10% of its net asset value in equity shares or equity related instruments of any single company provided that the limit of 10% shall not be applicable for investments through index funds or sector or industry specific funds. No Mutual Fund under all its schemes should own more than 10% of any company's paid-up share capital carrying voting rights.

Bids by Eligible NRIs

1. Bid cum Application Forms have been made available for Eligible NRIs at the Registered Office and with the Syndicate.

2. Eligible NRIs applicants should note that only such applications as are accompanied by payment in free foreign exchange shall be considered for Allotment. Eligible NRIs who intend to make payment through Non-Resident Ordinary (NRO) accounts should use the form meant for Resident Indians.

Bids by FIIs

As per the current regulations, the following restrictions are applicable for investments by FIIs:

The issue of Equity Shares to a single FII should not exceed 10% of total paid-up share capital. In respect of an FII investing in our Equity Shares on behalf of its sub-accounts, the investment on behalf of each sub-account shall not exceed 10% of our total paid-up share capital or 5% of our total paid-up share capital in case such sub-account is a foreign corporate or a foreign individual. As of now, the aggregate FII holding in our Company cannot exceed 24% of our total paid-up share capital. With the approval of the board and the shareholders by way of a special resolution, the aggregate FII holding can go up to 100%. However, as on this date, no such resolution has been recommended to the shareholders of the company for adoption.

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 (the "SEBI FII Regulations"), an FII, as defined in the SEBI FII Regulations, can deal or hold, offshore derivative instruments (as defined under the SEBI FII Regulations as any instrument, by whatever name called, which is issued overseas by a FII against securities held by it that are listed or proposed to be listed on any recognised stock exchange in India, as its underlying) directly or indirectly, only in the event (i) such offshore derivative instruments are issued only to persons who are regulated by an appropriate regulatory authority; and (ii) such offshore derivative instruments are issued after compliance with 'know your client' norms. An FII is also required to ensure that no further issue or transfer of any offshore derivative instrument is made by or on behalf of it to any persons that are not regulated by an appropriate foreign regulatory authority as defined under the SEBI FII Regulations. Associates and affiliates of the underwriters including the JGCBRLMs, the BRLMs and the Syndicate Members that are FIIs may issue offshore derivative instruments against Equity Shares Allotted to them in the Issue. Any such Offshore Derivative Instrument does not constitute any obligation or claim or claim on or an interest in, our Company.

Bids by SEBI registered Venture Capital Funds

As per the current regulations, the following restrictions are applicable for SEBI Registered Venture Capital Funds:

The SEBI (Venture Capital Funds) Regulations, 1996 prescribe the investment restrictions on venture capital funds registered with SEBI.

Accordingly, the holding by any individual venture capital fund registered with SEBI in one company should not exceed 25% of the corpus of the venture capital fund. Further, venture capital funds can invest only up to 33.33% of the investible funds by way of subscription to an IPO.

Pursuant to the SEBI VCF Regulations, the shareholding of SEBI-registered VCF held in a company prior to making an initial public offering would be exempt from lock-in requirements only if the shares have been held by them for at least one year prior to the time of filing the draft prospectus with SEBI.

The above information is given for the benefit of the Bidders. Our Company, the JGCBRLMs and the BRLMs are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Draft Red Herring Prospectus. Bidders are advised to make their independent investigations and Bidders are advised to ensure that any single Bid from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or regulation or as specified in this Draft Red Herring Prospectus.

Maximum and Minimum Bid Size

(a) **For Retail Individual Bidders:** The Bid must be for a minimum of [•] Equity Shares and in multiples of [•] Equity Share thereafter, so as to ensure that the Bid Amount payable by the Bidder does not exceed Rs. 100,000. Retail Individual Bidders should note that the Retail Discount will not be offered on application but will be offered on Allotment. Hence, Retail Individual Bidders should not deduct the Retail Discount while submitting the Bid cum Application Form. The excess amount paid at the time of bidding shall be refunded to the Retail Individual Bidders on

Allotment.In case of revision of Bids, the Retail Individual Bidders have to ensure that the Bid Amount does not exceed Rs. 100,000, net of Retail Discount as applicable to be adjusted. In case the Bid Amount is over Rs. 100,000 due to revision of the Bid or revision of the Price Band or on exercise of Cut-off Price option, the Bid would be considered for allocation under the Non-Institutional Portion. The Cut-off Price option is an option given only to the Retail Individual Bidders indicating their agreement to Bid and purchase at the final Issue Price as determined at the end of the Book Building Process.

(b) **For Other Bidders (Non-Institutional Bidders and QIBs):** The Bid must be for a minimum of such number of Equity Shares in multiples of [●] such that the Bid Amount exceeds Rs. 100,000 and in multiples of [●] Equity Shares thereafter. A Bid cannot be submitted for more than the Issue Size. However, the maximum Bid by a QIB investor should not exceed the investment limits prescribed for them by applicable laws. **A QIB Bidder cannot withdraw its Bid after the Bid/Issue Closing Date and is required to pay the Bid Amount upon submission of the Bid.**

In case of revision in Bids, the Non-Institutional Bidders, who are individuals, have to ensure that the Bid Amount is greater than Rs. 100,000 for being considered for allocation in the Non-Institutional Portion. In case the Bid Amount reduces to Rs. 100,000 or less due to a revision in Bids or revision of the Price Band, Bids by Non-Institutional Bidders who are eligible for allocation in the Retail Portion would be considered for allocation under the Retail Portion. Non-Institutional Bidders and QIBs are not allowed to Bid at 'Cut-off Price'.

(c) **For Bidders in the Anchor Investor Portion:** The Bid must be for a minimum of such number of Equity Shares such that the Bid Amount exceeds Rs. 100 million. Bids by Anchor Investors under the Anchor Investor Portion and the QIB Portion shall not be considered as multiple Bids. A Bid cannot be submitted for more than 30% of the QIB Portion under the Anchor Investor Portion. **Anchor Investors cannot withdraw their Bids after the Anchor Investor Bid/ Issue Period and are required to pay the Bid Amount at the time of submission of the Bid.**

Information for the Bidders:

(a) Our Company, the JGCBRLMs and the BRLMs shall declare the Bid/Issue Opening Date and Bid/Issue Closing Date in the Red Herring Prospectus to be registered with the RoC and also publish the same in two national newspapers (one each in English and Hindi) and in one Kannada newspaper with wide circulation. This advertisement shall be in the prescribed format.

(b) Our Company will file the Red Herring Prospectus with the RoC at least three Working Days before the Bid/ Issue Opening Date.

(c) Copies of the Bid cum Application Form and copies of the Red Herring Prospectus will be available with the Syndicate. The SCSBs shall ensure that the abridged prospectus is made available on their websites.

(d) Any Bidder (who is eligible to invest in the Equity Shares) who would like to obtain the Red Herring Prospectus and/ or the Bid cum Application Form can obtain the same from the Registered Office or from any member of the Syndicate or the SCSBs.

(e) Eligible Bidders who are interested in subscribing for the Equity Shares should approach any of the JGCBRLMs or the BRLMs or Syndicate Members or their authorised agent(s) to register their Bids. Bidders who wish to use the ASBA process should approach the Designated Branches of the SCSBs to register their Bids.

(f) The Bids should be submitted on the prescribed Bid cum Application Form only. Bid cum Application Forms (other than the ASBA Bid cum Application Forms) should bear the stamp of the Syndicate, otherwise they will be rejected. Bids by ASBA Bidders shall be accepted by the Designated Branches of the SCSBs in accordance with the SEBI Regulations and any circulars

issued by SEBI in this regard. Bidders applying through the ASBA process also have an option to submit the ASBA Bid cum Application Form in electronic form.

The applicants may note that in case the DP ID and Client ID and PAN entered into the electronic bidding system of the Stock Exchanges by the Syndicate do not match with the DP ID and Client ID and PAN available in the depository database, the application is liable to be rejected.

Method and Process of Bidding

(a) Our Company in consultation with the JGCBRLMs and the BRLMs will decide the Price Band and the minimum Bid lot size for the Issue and the same shall be advertised in two national newspapers (one each in English and Hindi) and in one Kannada newspaper with wide circulation at least two Working Days prior to the Bid/ Issue Opening Date. The Syndicate and the SCSBs shall accept Bids from the Bidders during the Bid/ Issue Period.

(b) The Bid/ Issue Period shall be for a minimum of three Working Days and shall not exceed 10 Working Days. The Bid/ Issue Period maybe extended, if required, by an additional three Working Days, subject to the total Bid/ Issue Period not exceeding 10 Working Days. Any revision in the Price Band and the revised Bid/ Issue Period, if applicable, will be published in two national newspapers (one each in English and Hindi) and one Kannada newspaper with wide circulation and also by indicating the change on the websites of the JGCBRLMs, the BRLMs and at the terminals of the members of the Syndicate.

(c) During the Bid/ Issue Period, Bidders, other than QIBs, who are interested in subscribing for the Equity Shares should approach the Syndicate or their authorised agents to register their Bids. The Syndicate shall accept Bids from all Bidders and have the right to vet the Bids during the Bid/ Issue Period in accordance with the terms of the Red Herring Prospectus. Bidders who wish to use the ASBA process should approach the Designated Branches of the SCSBs to register their Bids.

(d) Each Bid cum Application Form will give the Bidder the choice to Bid for up to three optional prices (for details refer to the paragraph entitled "*Bids at Different Price Levels*" below) within the Price Band and specify the demand (i.e., the number of Equity Shares Bid for) in each option. The price and demand options submitted by the Bidder in the Bid cum Application Form will be treated as optional demands from the Bidder and will not be cumulated. After determination of the Issue Price, the maximum number of Equity Shares Bid for by a Bidder at or above the Issue Price will be considered for Allotment and the rest of the Bid(s), irrespective of the Bid Amount, will become automatically invalid.

(e) The Bidder cannot Bid on another Bid cum Application Form after Bids on one Bid cum Application Form have been submitted to any member of the Syndicate or the SCSBs. Submission of a second Bid cum Application Form to either the same or to another member of the Syndicate or SCBS 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".

(f) Except in relation to the Bids received from the Anchor Investors, the Syndicate/ the SCSBs will enter each Bid option into the electronic bidding system as a separate Bid and generate a Transaction Registration Slip, ("TRS"), for each price and demand option and give the same to the Bidder. Therefore, a Bidder can receive up to three TRSs for each Bid cum Application Form.

(g) The JGCBRLMs and the BRLMs shall accept the Bids from the Anchor Investors during the Anchor Investor Bid/ Issue Period i.e. one Working Day prior to the Bid/ Issue Opening Date. Bids by QIBs under the Anchor Investor Portion and the QIB Portion shall not be considered as

multiple Bids.

(h) Along with the Bid cum Application Form, all Bidders (other than ASBA Bidders) will make payment in the manner described in "Escrow Mechanism - Terms of payment and payment into the Escrow Accounts" on page 593.

(i) Upon receipt of the ASBA Bid cum Application Form, submitted whether in physical or electronic mode, the Designated Branch of the SCSB shall verify if sufficient funds equal to the Bid Amount are available in the ASBA Account, as mentioned in the ASBA Bid cum Application Form, prior to uploading such Bids with the Stock Exchanges.

(j) If sufficient funds are not available in the ASBA Account, the Designated Branch of the SCSB shall reject such Bids and shall not upload such Bids with the Stock Exchanges.

(k) If sufficient funds are available in the ASBA Account, the SCSB shall block an amount equivalent to the Bid Amount mentioned in the ASBA Bid cum Application Form and will enter each Bid option into the electronic bidding system as a separate Bid and generate a TRS for each price and demand option. The TRS shall be furnished to the ASBA Bidder on request.

(l) The Bid Amount shall remain blocked in the aforesaid ASBA Account until finalisation of the Basis of Allotment and consequent transfer of the Bid Amount against the Allotted Equity Shares to the Public Issue Account, or until withdrawal/ failure of the Issue or until withdrawal/ rejection of the ASBA Bid cum Application Form, as the case may be. Once the Basis of Allotment is finalised, the Registrar to the Issue shall send an appropriate request to the Controlling Branch of the SCSB for unblocking the relevant ASBA Accounts and for transferring the amount allocable to the successful Bidders to the Public Issue Account. In case of withdrawal/ failure of the Issue, the blocked amount shall be unblocked on receipt of such information from the Registrar to the Issue.

Bids at Different Price Levels and Revision of Bids

(a) Our Company, in consultation with the JGCBRLMs and the BRLMs and without the prior approval of, or intimation, to the Bidders, reserves the right to revise the Price Band during the Bid/ Issue Period, provided that the Cap Price shall be less than or equal to 120% of the Floor Price and the Floor Price shall not be less than the face value of the Equity Shares. The revision in Price Band shall not exceed 20% on the either side i.e. the floor price can move up or down to the extent of 20% of the floor price disclosed at least two days prior to the Bid/ Issue Opening Date and the Cap Price will be revised accordingly.

(b) Our Company, in consultation with the JGCBRLMs and the BRLMs will finalise the Issue Price within the Price Band in accordance with this clause, without the prior approval of, or intimation, to the Bidders.

(c) Our Company, in consultation with the JGCBRLMs and the BRLMs, can finalise the Anchor Investor Issue Price within the Price Band in accordance with this clause, without the prior approval of, or intimation, to the Anchor Investors.

(d) The Bidders 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 may Bid at the Cut-off Price. However, bidding at Cut-off Price is prohibited for QIB and Non-Institutional Bidders and such Bids from QIB and Non-Institutional Bidders shall be rejected.

(e) Retail Individual Bidders, who Bid at Cut-off Price agree that they shall purchase the Equity Shares at any price within the Price Band. Retail Individual Bidders, shall submit the Bid cum Application Form along with a cheque/ demand draft for the Bid Amount based on the Cap Price with the Syndicate. In case of ASBA Bidders (excluding Non-Institutional Bidders and QIB

Bidders) bidding at Cut-off Price, the ASBA Bidders shall instruct the SCSBs to block an amount based on the Cap Price.

Escrow mechanism, terms of payment and payment into the Escrow Accounts

For details of the escrow mechanism and payment instructions, please see "Issue Procedure - Payment Instructions" on page 601.

Electronic Registration of Bids

(a) The Syndicate and the SCSBs will register the Bids using the on-line facilities of the Stock Exchanges.

(b) The Syndicate and the SCSBs will undertake modification of selected fields in the Bid details already uploaded within one Working Day from the Bid/Issue Closing Date.

(c) There will be at least one on-line connectivity facility in each city, where a stock exchange is located in India and where Bids are being accepted. The JGCBRLMs, the BRLMs, our Company and the Registrar are not responsible for any acts, mistakes or errors or omission and commissions in relation to, (i) the Bids accepted by the Syndicate Members and the SCSBs, (ii) the Bids uploaded by the Syndicate Members and the SCSBs, (iii) the Bids accepted but not uploaded by the Syndicate Members and the SCSBs or (iv) with respect to ASBA Bids, Bids accepted and uploaded without blocking funds in the ASBA Accounts. However, the Syndicate and/or the SCSBs shall be responsible for any error in the Bid details uploaded by them. It shall be presumed that for Bids uploaded by the SCSBs, the Bid Amount has been blocked in the relevant ASBA Account.

(d) The Stock Exchanges will offer an electronic facility for registering Bids for the Issue. This facility will be available with the Syndicate and their authorised agents and the SCSBs during the Bid/ Issue Period. The Syndicate Members and the Designated Branches of the SCSBs can also set up facilities for off-line electronic registration of Bids subject to the condition that they will subsequently upload the off-line data file into the on-line facilities for Book Building on a regular basis. On the Bid/ Issue Closing Date, the Syndicate and the Designated Branches of the SCSBs shall upload the Bids till such time as may be permitted by the Stock Exchanges. This information will be available with the JGCBRLMs and the BRLMs on a regular basis.

(e) Based on the aggregate demand and price for Bids registered on the electronic facilities of the Stock Exchanges, a graphical representation of consolidated demand and price as available on the websites of the Stock Exchanges would be made available at the Bidding centres during the Bid/Issue Period.

(f) At the time of registering each Bid, including ASBA Bids, the Syndicate shall enter the following details of the Bidders in the on-line system:

- IPO Name
- Application Number
- Investor Category – Retail Individual Investors, Non-Institutional Investors (Individuals > Rs. 1 Lac, Corporates, NRI, others), Qualified Institutional Buyers (Mutual Funds, Financial Institutions, Insurance Companies, Foreign Institutional Investors other than corporate and individual sub accounts, others), Employees (if reservation), shareholders (if reservation) etc.
- First Applicant PAN
- Demat ID
- Beneficiary Account Number
- Quantity Option

- Price Option
- Cheque Amount
- Cheque Number

(g) A system generated TRS will be given to the Bidder as a proof of the registration of each of the bidding options. It is the Bidder's responsibility to obtain the TRS from the Syndicate or the Designated Branches of the SCSBs. The registration of the Bid by the member of the Syndicate or the Designated Branches of the SCSBs does not guarantee that the Equity Shares shall be Allotted either by the Syndicate or our Company.

(h) Such TRS will be non-negotiable and by itself will not create any obligation of any kind.

(i) In case of QIB Bidders, only the JGCBRLMs, the BRLMs and their Affiliate Syndicate Members have the right to accept the Bid or reject it. However, such rejection shall be made at the time of receiving the Bid and only after assigning a reason for such rejection in writing. In case of Non-Institutional Bidders and Retail Individual Bidders, Bids will be rejected on technical grounds listed on page 604. The Members of the Syndicate may also reject Bids if all the information required is not provided and the Bid cum Application Form is incomplete in any respect. The SCSBs shall have no right to reject Bids, except on technical grounds.

(j) The permission given by the Stock Exchanges to use their network and software of the online IPO system should not in any way be deemed or construed to mean that the compliance with various statutory and other requirements by our Company and/or the JGCBRLMs or the BRLMs are cleared or approved by the Stock Exchanges; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the compliance with the statutory and other requirements nor does it take any responsibility for the financial or other soundness of our Company, the Promoter, the management or any scheme or project of our Company; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this Draft Red Herring Prospectus; nor does it warrant that the Equity Shares will be listed or will continue to be listed on the Stock Exchanges.

(k) Only Bids that are uploaded on the online IPO system of the Stock Exchanges shall be considered for Allotment. Members of the Syndicate will be given up to one day after the Bid/ Issue Closing Date to modify certain permitted fields of the data uploaded in the online IPO system during the Bid/ Issue Period after which the data will be sent by the Stock Exchnages to the Registrar for reconciliation and Allotment of Equity Shares. If the Syndicate Member finds any discrepancy in the DP Id and the Client Id, the Syndicate Member will correct the same.

(l) Details of Bids in the Anchor Investor Portion will not be registered on the on-line facilities of the electronic facilities of the Stock Exchanges. However, Anchor Investors who use the ASBA facility will have to submit the ASBA Bid cum Application Form to the JGCBRLMs and the BRLMs along with a confirmation from the SCSBs that the Bid Amount has been blocked in their respective bank accounts in terms of the ASBA process. In the event such Bid Amount has not been blocked, the Anchor Investor's Bid shall be rejected.

Build up of the book and revision of Bids

(a) Bids received from various Bidders through the Syndicate and the SCSBs shall be electronically uploaded to the Stock Exchanges' mainframe on a regular basis.

(b) The Book gets built up at various price levels. This information will be available with the JGCBRLMs and the BRLMs on a regular basis at the end of the Bid/Issue Period.

(c) During the Bid/Issue Period, any Bidder who has registered his or her interest in the Equity Shares at a particular price level is free to revise his or her Bid within the Price Band using the printed Revision Form, which is a part of the Bid cum Application Form.

(d) Revisions can be made in both the desired number of Equity Shares and the Bid Amount by using the Revision Form. Apart from mentioning the revised options in the Revision Form, the Bidder must also mention the details of all the options in his or her Bid cum Application Form or earlier Revision Form. For example, if a Bidder has Bid for three options in the Bid cum Application Form and such Bidder is changing only one of the options in the Revision Form, he must still fill the details of the other two options that are not being revised, in the Revision Form. The Syndicate and the Designated Branches of the SCSBs will not accept incomplete or inaccurate Revision Forms.

(e) The Bidder can make this revision any number of times during the Bid/Issue Period. However, for any revision(s) in the Bid, the Bidders will have to use the services of the same member of the Syndicate or the SCSB through whom such Bidder 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) In case of an upward revision in the Price Band announced as above, Retail Individual Bidders who had Bid at Cut-off Price could either (i) revise their Bid or (ii) shall make additional payment based on the cap of the revised Price Band (such that the total amount i.e., original Bid Amount plus additional payment does not exceed Rs. 100,000 if the Bidder wants to continue to Bid at Cut-off Price), with the 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 Portion 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 downwards 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 Price.

(g) In case of a downward revision in the Price Band, announced as above, Retail Individual Bidders, who have Bid at Cut-off Price could either revise their Bid or the excess amount paid at the time of bidding would be refunded from the Escrow Account.

(h) Our Company, in consultation with the JGCBRLMs and the BRLMs, shall decide the minimum number of Equity Shares for each Bid to ensure that the minimum application value is within the range of Rs. 5,000 to Rs. 7,000.

(i) 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. With respect to the ASBA Bids, if revision of the Bids results in an incremental amount, the relevant SCSB shall block the additional Bid Amount. In case of Bids, other than ASBA Bids, the Syndicate shall collect the payment in the form of cheque or demand draft if any, to be paid on account of the upward revision of the Bid at the time of one or more revisions by the QIB Bidders. In such cases, the Syndicate will revise the earlier Bids details with the revised Bid and provide the cheque or demand draft number of the new payment instrument in the electronic book. The Registrar will reconcile the Bid data and consider the revised Bid data for preparing the Basis of Allotment.

(j) When a Bidder revises his or her Bid, he or she shall surrender the earlier TRS and may get a revised TRS from the Syndicate or the SCSB, as applicable. 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.

Price Discovery and Allotment

(a) Based on the demand generated at various price levels, our Company in consultation with the

JGCBRLMs and the BRLMs shall finalise the Issue Price.

(b) The allocation to QIBs will be not more than 50% of the Issue and 15% and 35% of the Issue will be available for allocation to Non-Institutional and Retail Individual Bidders respectively, on a proportionate basis, in a manner specified in the SEBI ICDR Regulations and this Draft Red Herring Prospectus, in consultation with the Designated Stock Exchange, subject to valid bids being received at or above the Issue Price.

(c) Under-subscription, if any, in any category, except the QIB Portion, would be allowed to be met with spill-over from any other category or combination of categories at the sole discretion of our Company in consultation with the JGCBRLMs and the BRLMs. If at least 50% of the Issue is not allotted to the QIBs, the entire subscription monies shall be refunded.

(d) Allocation to Non-Residents, including Eligible NRIs and FIIs registered with SEBI, applying on repatriation basis will be subject to applicable law, rules, regulations, guidelines and approvals.

(e) QIB Bidders shall not be allowed to withdraw their Bid after the Bid/Issue Closing Date.

(f) The Basis of Allotment shall be put up on the website of the Registrar.

Signing of the Underwriting Agreement and the RoC Filing

(a) Our Company, the JGCBRLMs, the BRLMs and the Syndicate Members shall enter into an Underwriting Agreement on or immediately after the finalisation of the Issue Price.

(b) After signing the Underwriting Agreement, our Company will update and file the updated Red Herring Prospectus with the RoC in accordance with the applicable law, which then would be termed as the 'Prospectus'. The Prospectus will contain details of the Issue Price, Issue size, underwriting arrangements and will be complete in all material respects.

Pre-Issue Advertisement

Subject to Section 66 of the Companies Act, our Company shall, after registering the Red Herring Prospectus with the RoC, publish a pre-Issue advertisement, in the form prescribed by the SEBI ICDR Regulations, in one English language national daily newspaper, one Hindi language national daily newspaper and one Kannada language daily newspaper, each with wide circulation.

Advertisement regarding Issue Price and Prospectus

Our Company will issue a statutory advertisement after the filing of the Prospectus with the RoC. This advertisement, in addition to the information that has to be set out in the statutory advertisement, shall indicate the Issue Price and the Anchor Investor Issue Price. Any material updates between the date of the Red Herring Prospectus and the date of Prospectus will be included in such statutory advertisement.

Notice to Anchor Investors: Allotment Reconciliation and Revised CANs

A physical book will be prepared by the Registrar on the basis of the Bid cum Application Forms received from Anchor Investors. Based on the physical book and at the discretion of our Company, the JGCBRLMs, the BRLMs, select Anchor Investors may be sent a CAN, within two Working Days of the Anchor Investor Bid/ Issue Period, indicating the number of Equity Shares that may be allocated to them. This provisional CAN and the final allocation is subject to the physical application being valid in all respect along with receipt of stipulated documents, the Issue Price being finalised at a price not higher than the Anchor Investor Issue Price and Allotment by the Board of Directors. In the event that the Issue Price is higher than the Anchor Investor Issue Price, a revised CAN will be sent to Anchor Investors. The price of Equity Shares in such revised CAN shall be different from that specified in the earlier CAN. Anchor Investors should note that they shall be required to pay any additional amounts, being the difference between the

Issue Price and the Anchor Investor Issue Price, as indicated in the revised CAN within two Working Days after the Bid/ Issue Closing Date. Any revised CAN, if issued, will supersede in entirety the earlier CAN.

Issuance of Confirmation of Allotment Notice ("CAN")

(a) Upon approval of the Basis of Allotment by the Designated Stock Exchange and Allotment of the shares, the Registrar shall send to the Bidders who have been Allotted Equity Shares in the Issue a confirmation of allotment notice. The approval of the Basis of Allotment by the Designated Stock Exchange for QIB Bidders (including Anchor Investors) may be done simultaneously with or prior to the approval of the Basis of Allotment for the Retail and Non-Institutional Bidders. However, Bidders should note that our Company shall ensure that (i) the Allotment of the Equity Shares and (ii) the instructions by our Company for the demat credit of the Equity Shares, to all Bidders in this Issue shall be done on the same date.

(b) The Registrar will then dispatch a CAN to the Bidders who have been Allotted 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 allotted to such Bidder.

(c) The Issuance of CAN shall be deemed a valid, binding and irrevocable contract for the Allotment of Equity Shares to such Bidder.

Designated Date and Allotment of Equity Shares

(a) Our Company will ensure that (i) the Allotment of Equity Shares; and (ii) credit to the successful Bidder's depositary account will be completed within nine Working Days of the Bid/Issue Closing Date.

(b) In accordance with the SEBI ICDR Regulations, Equity Shares will be issued and Allotment shall be made only in the dematerialised form to the Allottees.

(c) Allottees will have the option to re-materialise the Equity Shares so Allotted as per the provisions of the Companies Act and the Depositories Act.

Investors are advised to instruct their Depository Participant to accept the Equity Shares that may be allocated/ Allotted to them pursuant to this Issue.

GENERAL INSTRUCTIONS

Do's:

(a) Check if you are eligible to apply;

(b) Ensure that you have Bid within the Price Band;

(c) Read all the instructions carefully and complete the Bid cum Application Form;

(d) Ensure that the details about the Depository Participant and the beneficiary account are correct as Allotment of Equity Shares will be in the dematerialised form only;

(e) Ensure that the Bids are submitted at the bidding centres only on forms bearing the stamp of a member of the Syndicate or with respect to ASBA Bidders, ensure that your Bid is submitted at a Designated Branch of the SCSB where the ASBA Bidder or the person whose bank account will be utilised by the Bidder for bidding has a bank account;

(f) With respect to ASBA Bids ensure that the ASBA Bid cum Application Form is signed by the account holder in case the applicant is not the account holder. Ensure that you have mentioned the

correct bank account number in the ASBA Bid cum Application Form;

(g) Ensure that you request for and receive a TRS for all your Bid options;

(h) Ensure that you have funds equal to the Bid Amount in your bank account maintained with the SCSB before submitting the ASBA Bid cum Application Form to the respective Designated Branch of the SCSB;

(i) Ensure that the full Bid Amount is paid for the Bids submitted to the Syndicate and funds equivalent to the Bid Amount are blocked in case of any Bids submitted though the SCSBs.

(j) Instruct your respective banks to not release the funds blocked in the bank account under the ASBA process;

(k) Submit revised Bids to the same member of the Syndicate through whom the original Bid was placed and obtain a revised TRS;

(l) Except for Bids submitted on behalf of the Central Government or the State Government, residents of Sikkim and officials appointed by a court, all Bidders should mention their PAN allotted under the IT Act;

(m) Ensure that the Demographic Details (as defined herein below) are updated, true and correct in all respects; and

(n) Ensure that the name(s) given in the Bid cum Application Form is exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant. In case the Bid cum Application Form is submitted in joint names, ensure that the beneficiary account is also held in same joint names and such names are in the same sequence in which they appear in the Bid cum Application Form.

Don'ts:

(a) Do not Bid for lower than the minimum Bid size;

(b) Do not Bid/ revise Bid Amount to less than the Floor Price or higher than the Cap Price;

(c) Do not Bid on another Bid cum Application Form after you have submitted a Bid to the Syndicate or the SCSBs, as applicable;

(d) Do not pay the Bid Amount in cash, by money order or by postal order or by stockinvest;

(e) Do not send Bid cum Application Forms by post; instead submit the same to a member of the Syndicate or the SCSBs only;

(f) Do not Bid at Cut-off Price (for QIB Bidders and Non-Institutional Bidders, for Bid Amount in excess of Rs. 100,000);

(g) Do not Bid for a Bid Amount exceeding Rs. 100,000 (for Bids by Retail Individual 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;

(i) Do not submit the GIR number instead of the PAN as the Bid is liable to be rejected on this ground; and

(j) Do not submit the Bids without the full Bid Amount.

INSTRUCTIONS FOR COMPLETING THE BID CUM APPLICATION FORM

Bids must be:

(a) Made only in the prescribed Bid cum Application Form or Revision Form, as applicable.

(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. Bidders should note that the Syndicate and / or the SCSBs, as appropriate, will not be liable for errors in data entry due to incomplete or illegible Bid cum Application Forms or Revision Forms.

(c) Information provided by the Bidders will be uploaded in the online IPO system by the Syndicate and the SCSBs, as the case may be, and the electronic data will be used to make Allotment. The Bidders should ensure that the details are correct and legible.

(d) For Retail Individual Bidders, the Bid must be for a minimum of [•] Equity Shares and in multiples of [•] thereafter subject to a maximum Bid Amount of Rs. 100,000.

(e) For Non-Institutional Bidders and QIB Bidders, Bids must be for a minimum of such number of Equity Shares in multiples of [•] that the Bid Amount exceeds or equal to Rs. 100,000. 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.

(f) For Anchor Investors, Bids must be for a minimum of such number of Equity Shares that the Bid Amount exceeds or equal to Rs. 100 million and in multiples of [•] Equity Shares thereafter.

(g) In single name or in joint names (not more than three, and in the same order as their Depository Participant details).

(h) Thumb impressions and signatures other than in the languages specified in the Eighth Schedule to the Constitution of India must be attested by a Magistrate or a Notary Public or a Special Executive Magistrate under official seal.

Bidder's PAN, Depository Account and Bank Account Details

Bidders should note that on the basis of the DP ID and beneficiary account number entered into electronic bidding system of the Stock Exchanges, the Registrar will obtain from the Depository the demographic details including address, Bidders bank account details, MICR code and occupation (hereinafter referred to as "Demographic Details"). These bank account details would be used for giving refunds (including through physical refund warrants, direct credit, NECS, NEFT and RTGS). Hence, Bidders are advised to immediately update their bank account details as appearing on the records of the Depository Participant. Please note that failure to do so could result in delays in despatch/ credit of refunds to Bidders at the Bidders sole risk and neither the JGCBRLMs or the BRLMs or the Registrar or the Escrow Collection Banks or the SCSBs nor our Company shall have any responsibility and undertake any liability for the same. Hence, Bidders should carefully fill in their Depository Account details in the Bid cum Application Form.

IT IS MANDATORY FOR ALL THE BIDDERS TO GET THEIR EQUITY SHARES IN DEMATERIALISED FORM. ALL BIDDERS SHOULD MENTION THEIR DEPOSITORY PARTICIPANT'S NAME, DEPOSITORY PARTICIPANT IDENTIFICATION NUMBER AND BENEFICIARY ACCOUNT NUMBER IN THE BID CUM APPLICATION FORM. INVESTORS MUST ENSURE THAT THE NAME(S) GIVEN IN THE BID CUM APPLICATION FORM

IS/ARE EXACTLY THE SAME AS THE NAME(S) IN WHICH THE DEPOSITORY ACCOUNT IS HELD. IN CASE THE BID CUM APPLICATION FORM IS SUBMITTED IN JOINT NAMES, IT SHOULD BE ENSURED THAT THE DEPOSITORY ACCOUNT IS ALSO HELD IN THE SAME JOINT NAMES AND ARE IN THE SAME SEQUENCE IN WHICH THEY APPEAR IN THE BID CUM APPLICATION FORM.

These Demographic Details would be used for all correspondence with the Bidders including mailing of the CANs and printing of bank particulars on the refund orders or for refunds through electronic transfer of funds, as applicable. The Demographic Details given by Bidders in the Bid cum Application Form would not be used for any other purpose by the Registrar.

By signing the Bid cum Application Form, the Bidder would be deemed to have authorised the Depositories to provide, upon request, to the Registrar, the required Demographic Details as available on its records.

Refund orders/ CANs would be mailed at the address of the Bidder as per the Demographic Details received from the Depositories. Bidders may note that delivery of refund orders/ CANs may get delayed if the same once sent to the address obtained from the Depositories are returned undelivered. In such an event, the address and other details given by the Bidder (other than ASBA Bidders) in the Bid cum Application Form would be used only to ensure re-dispatch of refund orders. Please note that any such delay shall be at such Bidder's sole risk and neither our Company, nor the Escrow Collection Banks, nor the Registrar, nor the JGCBRLMs, nor the BRLMs shall be liable to compensate the Bidder for any losses caused to the Bidder due to any such delay or liable to pay any interest for such delay.

In case no corresponding record is available with the Depositories, which matches the three parameters, namely, PAN of the sole/ First Bidder, the DP ID and the beneficiary's identity, then such Bids are liable to be rejected and refunds in such cases may be delayed.

Bids by Non-Residents including Eligible NRIs and FIIs registered with SEBI on a repatriation basis

Bids and revision to Bids must be made in the following manner:

1. On the Bid cum Application Form or the Revision Form, as applicable (blue in colour), and completed in full in BLOCK LETTERS in ENGLISH in accordance with the instructions contained therein.

2. In a single name or joint names (not more than three and in the same order as their Depositary Participant Details).

3. Bids on a repatriation basis shall be in the names of individuals, or in the name of FIIs but not in the names of minors, OCBs, firms or partnerships, foreign nationals (excluding NRIs) or their nominees.

Bids by Eligible NRIs for a Bid Amount of up to Rs. 100,000 would be considered under the Retail Portion for the purposes of allocation and Bids for a Bid Amount of more than Rs. 100,000 would be considered under Non-Institutional Portion for the purposes of allocation.

Refunds, dividends and other distributions, if any, will be payable in Indian Rupees only and will be credited to their NRE accounts.

There is no reservation for Eligible NRIs and FIIs and all Bidders will be treated on the same basis with other categories for the purpose of Allotment.

Bids under Power of Attorney

In case of Bids made pursuant to a power of attorney or by limited companies, corporate bodies, registered societies, FIIs, Mutual Funds, insurance companies and provident funds with a minimum corpus of Rs. 250 million (subject to applicable law) and pension funds with a minimum corpus of Rs. 250 million, a certified copy of the power of attorney or the relevant resolution or authority, as the case may be, along with a certified copy of the memorandum of association and articles of association and/ or bye laws must be lodged along with the Bid cum Application Form. Failing this, our Company reserves the right to accept or reject any Bid in whole or in part, in either case, without assigning any reason therefor.

In addition to the above, certain additional documents are required to be submitted by the following entities:

(a). With respect to Bids by FIIs and Mutual Funds, a certified copy of their SEBI registration certificate must be lodged along with the Bid cum Application Form.

(b). With respect to Bids by insurance companies registered with the Insurance Regulatory and Development Authority, in addition to the above, a certified copy of the certificate of registration issued by the Insurance Regulatory and Development Authority must be lodged along with the Bid cum Application Form.

(c). With respect to Bids made by provident funds with a minimum corpus of Rs. 250 million (subject to applicable law) and pension funds with a minimum corpus of Rs. 250 million, a certified copy of a certificate from a chartered accountant certifying the corpus of the provident fund/pension fund must be lodged along with the Bid cum Application Form.

Our Company in its absolute discretion, reserves the right to relax the above condition of simultaneous lodging of the power of attorney along with the Bid cum Application form, subject to such terms and conditions that our Company, the JGCBRLMs, the BRLMs may deem fit.

PAYMENT INSTRUCTIONS

Escrow Mechanism for Bidders other than ASBA Bidders

Our Company and the Syndicate shall open Escrow Account(s) with one or more Escrow Collection Bank(s). Cheques or demand drafts received for the full Bid Amount from Bidders would be deposited in the Escrow Account.

The Escrow Collection Banks will act in terms of the Red Herring Prospectus and the Escrow Agreement. The Escrow Collection Banks for and on behalf of the Bidders shall maintain the monies in the Escrow Account until the Designated Date. The Escrow Collection Banks shall not exercise any lien whatsoever over the monies deposited therein and shall hold the monies therein in trust for the Bidders. On the Designated Date, the Escrow Collection Banks shall transfer the funds represented by Allotment of Equity Shares (other than ASBA funds with the SCSBs) from the Escrow Account, as per the terms of the Escrow Agreement, into the Public Issue Account with the Bankers to the Issue. The balance amount after transfer to the Public Issue Account shall be transferred to the Refund Account. Payments of refund to the Bidders shall also be made from the Refund Account as per the terms of the Escrow Agreement and the Red Herring Prospectus.

The Bidders should note that the escrow mechanism is not prescribed by SEBI and has been established as an arrangement between our Company, the Syndicate, the Escrow Collection Banks and the Registrar to facilitate collections from the Bidders.

Payment mechanism for ASBA Bidders

The ASBA Bidders shall specify the bank account number in the ASBA Bid cum Application Form and the SCSB shall block an amount equivalent to the Bid Amount in the bank account specified in the ASBA Bid cum Application Form. The SCSB shall keep the Bid Amount in the relevant bank account blocked until

withdrawal/ rejection of the ASBA Bid or receipt of instructions from the Registrar to unblock the Bid Amount. In the event of withdrawal or rejection of the ASBA Bid cum Application Form or for unsuccessful ASBA Bid cum Application Forms, the Registrar shall give instructions to the SCSB to unblock the application money in the relevant bank account within one day of receipt of such instruction. The Bid Amount shall remain blocked in the ASBA Account until finalisation of the Basis of Allotment in the Issue and consequent transfer of the Bid Amount to the Public Issue Account, or until withdrawal/ failure of the Issue or until rejection of the ASBA Bid, as the case may be.

Payment into Escrow Account for Bidders other than ASBA Bidders

Each Bidder shall draw a cheque or demand draft or remit the funds electronically through the RTGS mechanism for the amount payable on the Bid and/or on Allotment as per the following terms:

1. All Bidders would be required to pay the full Bid Amount at the time of the submission of the Bid cum Application Form.

2. The Bidders shall, with the submission of the Bid cum Application Form, draw a payment instrument for the Bid Amount in favour of the Escrow Account and submit the same to the Syndicate. If the payment is not made favouring the Escrow Account along with the Bid cum Application Form, the Bid of the Bidder shall be rejected.

3. The payment instruments for payment into the Escrow Account should be drawn in favour of:

   (a) In case of Resident QIB Bidders: "[●]"

   (b) In case of Non-Resident QIB Bidders: "[●]"

   (c) In case of Resident Retail and Non-Institutional Bidders: "[●]"

   (d) In case of Non-Resident Retail and Non-Institutional Bidders: "[●]"

4. Anchor Investors would be required to pay the Bid Amount at the time of submission of the Bid cum Application Form. In the event of the Issue Price being higher than the price at which allocation is made to Anchor Investors, the Anchor Investors shall be required to pay such additional amount to the extent of shortfall between the price at which allocation is made to them and the Issue Price within two Working Days of the Bid/ Issue Closing Date. If the Issue Price is lower than the price at which allocation is made to Anchor Investors, the amount in excess of the Issue Price paid by Anchor Investors shall not be refunded to them.

5. For Anchor Investors, the payment instruments for payment into the Escrow Account should be drawn in favour of:

   (a) In case of resident Anchor Investors: "[●]"

   (b) In case of non-resident Anchor Investors: "[●]"

6. In case of Bids by NRIs applying on repatriation basis, the payments must be made through Indian Rupee drafts purchased abroad or cheques or bank drafts, for the amount payable on application remitted through normal banking channels or out of funds held in Non-Resident External (NRE) Accounts or Foreign Currency Non-Resident (FCNR) Accounts, maintained with banks authorised to deal in foreign exchange in India, along with documentary evidence in support of the remittance. Payment will not be accepted out of Non-Resident Ordinary (NRO) Account of Non-Resident Bidder bidding on a repatriation basis. Payment by drafts should be accompanied by bank certificate confirming that the draft has been issued by debiting to NRE Account or FCNR Account.

7. In case of Bids by NRIs applying on non-repatriation basis, the payments may be made through Indian Rupee Drafts purchased abroad or cheques or bank drafts, for the amount payable on application remitted through normal banking channels or out of funds held in Non-Resident External (NRE) Accounts or Foreign Currency Non-Resident (FCNR) Accounts, maintained with banks authorised to deal in foreign exchange in India, along with documentary evidence in support of the remittance or out of a Non-Resident Ordinary (NRO) Account of a Non-Resident Bidder bidding on a non-repatriation basis. Payment by drafts should be accompanied by a bank certificate confirming that the draft has been issued by debiting an NRE or FCNR or NRO Account.

8. 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.

9. The monies deposited in the Escrow Account will be held for the benefit of the Bidders (other than ASBA Bidders) till the Designated Date.

10. On the Designated Date, the Escrow Collection Banks shall transfer the funds from the Escrow Account as per the terms of the Escrow Agreement into the Public Issue Account with the Bankers to the Issue.

11. On the Designated Date and no later than 10 Working Days from the Bid/ Issue Closing Date, the Escrow Collection Bank shall also refund all amounts payable to unsuccessful Bidders (other than ASBA Bidders) and also the excess amount paid on bidding, if any, after adjusting for Allotment to such Bidders.

12. Payments should be made by cheque, or a demand draft drawn on any bank (including a co-operative bank), which is situated at, and is a member of or sub-member of the bankers' clearing house located at the centre where the Bid cum Application Form is submitted. Outstation cheques/ bank drafts drawn on banks not participating in the clearing process will not be accepted and applications accompanied by such cheques or bank drafts are liable to be rejected. Cash/ stockinvest/ money orders/ postal orders will not be accepted.

Submission of Bid cum Application Form

All Bid cum Application Forms or Revision Forms duly completed and accompanied by account payee cheques or drafts shall be submitted to the Syndicate at the time of submission of the Bid. With respect to the ASBA Bidders, the ASBA Bid cum Application Form or the ASBA Revision Form shall be submitted to the Designated Branches of the SCSBs.

No separate receipts shall be issued for the money payable on the submission of Bid cum Application Form or Revision Form. However, the collection centre of the Syndicate will acknowledge the receipt of the Bid cum Application Forms or Revision Forms by stamping and returning to the Bidder the acknowledgement slip. This acknowledgement slip will serve as the duplicate of the Bid cum Application Form for the records of the Bidder.

OTHER INSTRUCTIONS

Joint Bids in the case of Individuals

Bids may be made in single or joint names (not more than three). In the case of joint Bids, all payments will be made out in favour of the Bidder whose name appears first in the Bid cum Application Form or Revision Form. All communications will be addressed to the First Bidder and will be dispatched to his or her address as per the Demographic Details received from the Depository.

Multiple Bids

A Bidder should submit only one Bid (and not more than one) for the total number of Equity Shares required. Two or more Bids will be deemed to be multiple Bids if the sole or First Bidder is one and the same.

In case of a Mutual Fund, a separate Bid can be made in respect of each scheme of the Mutual Fund registered with SEBI and such Bids in respect of more than one scheme of the Mutual Fund will not be treated as multiple Bids provided that the Bids clearly indicate the scheme concerned for which the Bid has been made. Bids by QIBs under the Anchor Investor Portion and QIB Portion (excluding Anchor Investor Portion) will not be considered as multiple Bids.

Our Company reserves the right to reject, in its absolute discretion, all or any multiple Bids in any or all categories. All Bids where the PAN of the sole and or first bidder is same shall be identified as multiple and shall be rejected.

Permanent Account Number or PAN

The Bidders, or in the case of a Bid in joint names, each of the Bidders, should mention his/ her PAN allotted under the I.T. Act. In accordance with the SEBI Regulations, the PAN would be the sole identification number for participants transacting in the securities market, irrespective of the amount of transaction. **Any Bid cum Application Form without the PAN is 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**.

REJECTION OF BIDS

In case of QIB Bidders, our Company in consultation with the JGCBRLMs, the BRLMs may reject Bids provided that the reasons for rejecting the same shall be provided to such Bidders in writing. In case of Non-Institutional Bidders and Retail Individual Bidders, our Company has a right to reject Bids based on technical grounds. Consequent refunds shall be made by RTGS/NEFT/NES/Direct Credit/cheque or pay order or draft and will be sent to the Bidder's address at the Bidder's risk. With respect to ASBA Bids, the Designated Branches of the SCSBs shall have the right to reject ASBA Bids if at the time of blocking the Bid Amount in the Bidder's bank account, the respective Designated Branch of the SCSB ascertains that sufficient funds are not available in the Bidder's bank account maintained with the SCSB. Subsequent to the acceptance of the ASBA Bid by the SCSB, our Company would have a right to reject the ASBA Bids only on technical grounds.

Grounds for Technical Rejections

Bidders are advised to note that Bids are liable to be rejected *inter alia* on the following technical grounds:

- Amount paid does not tally with the amount payable for the highest value of Equity Shares Bid for. With respect to ASBA Bids, the amounts mentioned in the ASBA Bid cum Application Form does not tally with the amount payable for the value of the Equity Shares Bid for;

- In case of partnership firms, Equity Shares may be registered in the names of the individual partners and no firm as such shall be entitled to apply;

- Bid by persons not competent to contract under the Indian Contract Act, 1872 including minors, insane persons;

- PAN not mentioned in the Bid cum Application Form;

- GIR number furnished instead of PAN;

- Bids for lower number of Equity Shares than the minimum number specified for that category of investors;
- Bids at a price less than the Floor Price;
- Bids at a price more than the Cap Price;
- Submission of more than five ASBA Bid cum Application Forms per bank account;
- Bids at Cut-off Price by Non-Institutional and QIB Bidders;
- Bids for number of Equity Shares which are not in multiples of [•];
- Bids by OCBs;
- Bids by persons who are not eligible to acquire Equity Shares under any applicable law, rule, regulation, guideline or approval, inside India or outside India;
- Category not ticked;
- Multiple Bids as defined in the Red Herring Prospectus;
- In case of Bids under power of attorney or by limited companies, corporate, trust etc., relevant documents are not submitted;
- Bids accompanied by Stockinvest/ money order/ postal order/ cash;
- Bid cum Application Forms does not have the stamp of the JGCBRLMs or the BRLMs or the Syndicate Members or the SCSB;
- Bid cum Application Forms does not have Bidder's depository account details;
- Bid cum Application Forms are not delivered by the Bidders within the time prescribed as per the Bid cum Application Forms, Bid/ Issue Opening Date advertisement and the Draft Red Herring Prospectus and as per the instructions in the Draft Red Herring Prospectus and the Bid cum Application Forms;
- In case no corresponding record is available with the Depositories that matches three parameters namely, names of the Bidders (including the order of names of joint holders), the Depositary Participant's identity (DP ID) and the beneficiary's account number;
- With respect to ASBA Bids, inadequate funds in the bank account to block the Bid Amount specified in the ASBA Bid cum Application Form at the time of blocking such Bid Amount in the bank account;
- Bids for amounts greater than the maximum permissible amounts prescribed by the regulations;
- Bids which do not comply with securities laws at their specific jurisdictions;
- Bids where clear funds are not available in Escrow Accounts as per final certificate from the Escrow Collection Banks;
- Bids by QIBs not submitted through the JGCBRLMs or the BRLMs or in case of ASBA Bids for QIBs not intimated to the JGCBRLMs or the BRLMs;

- Bids by QIBs not submitted through members of the Syndicate;
- Bids by any person outside India if not in compliance with applicable foreign and Indian Laws;
- Bids not uploaded on the terminals of the Stock Exchanges; and
- Bids by persons prohibited from buying, selling or dealing in the shares directly or indirectly by SEBI or any other regulatory authority.

IN CASE THE DP ID, CLIENT ID AND PAN ENTERED INTO THE ELECTRONIC BIDDING SYSTEM OF THE STOCK EXCHANGES OR THE SYNDICATE/ THE SCSBs DO NOT MATCH WITH THE DP ID, CLIENT ID AND PAN AVAILABLE IN THE RECORDS WITH THE DEPOSITARIES, THE APPLICATION IS LIABLE TO BE REJECTED.

EQUITY SHARES IN DEMATERIALISED FORM WITH NSDL OR CDSL

As per the provisions of Section 68B of the Companies Act, the Allotment of Equity Shares in this Issue shall be only in a de-materialised form, (i.e., not in the form of physical certificates but be fungible and be represented by the statement issued through the electronic mode).

In this context, two agreements have been signed among our Company, the respective Depositories and the Registrar:

- Agreement dated April 6, 2010 between NSDL, our Company and the Registrar;
- Agreement dated [●], between CDSL, our Company and the Registrar.

All Bidders can seek Allotment only in dematerialised mode. Bids from any Bidder without relevant details of his or her depository account are liable to be rejected.

(a) A Bidder applying for Equity Shares must have at least one beneficiary account with either of the Depository Participants of either NSDL or CDSL prior to making the Bid.

(b) The Bidder must necessarily fill in the details (including the Beneficiary Account Number and Depository Participant's identification number) appearing in the Bid cum Application Form or Revision Form.

(c) Allotment to a successful Bidder will be credited in electronic form directly to the beneficiary account (with the Depository Participant) of the Bidder.

(d) Names in the Bid cum Application Form or Revision Form should be identical to those appearing in the account details in the Depository. In case of joint holders, the names should necessarily be in the same sequence as they appear in the account details in the Depository.

(e) If incomplete or incorrect details are given under the heading 'Bidders Depository Account Details' in the Bid cum Application Form or Revision Form, it is liable to be rejected.

(f) The Bidder is responsible for the correctness of his or her Demographic Details given in the Bid cum Application Form vis-à-vis those with his or her Depository Participant.

(g) Equity Shares in electronic form can be traded only on the Stock Exchanges having electronic connectivity with NSDL and CDSL. All the Stock Exchanges where the Equity Shares are proposed to be listed have electronic connectivity with CDSL and NSDL.

(h) The trading of the Equity Shares of our Company would be in dematerialised form only for all Bidders in the demat segment of the respective Stock Exchanges.

Communications

All future communications in connection with Bids made in this Issue should be addressed to the Registrar quoting the full name of the sole or First Bidder, Bid cum Application Form number, Bidders Depository Account Details, number of Equity Shares applied for, date of Bid form, name and address of the member of the Syndicate or the Designated Branch of the SCSBs where the Bid was submitted and cheque or draft number and issuing bank thereof or with respect to ASBA Bids, bank account number in which the amount equivalent to the Bid Amount was blocked.

Bidders can contact the Compliance Officer or the Registrar in case of any pre-Issue or post-Issue related problems such as non-receipt of letters of Allotment, credit of Allotted shares in the respective beneficiary accounts, refund orders etc. In case of ASBA Bids submitted to the Designated Branches of the SCSBs, the Bidders can contact the Designated Branches of the SCSBs.

PAYMENT OF REFUND

Bidders other than ASBA Bidders must note that on the basis of the names of the Bidders, Depository Participant's name, DP ID, beneficiary account number entered into the electronic bidding system of the Stock Exchanges, the Registrar will obtain, from the Depositories, the Bidders' bank account details, including the nine digit Magnetic Ink Character Recognition ("MICR") code as appearing on a cheque leaf. Hence, Bidders are advised to immediately update their bank account details as appearing on the records of the Depository Participant. Please note that failure to do so could result in delays in despatch of refund order or refunds through electronic transfer of funds, as applicable, and any such delay shall be at the Bidders' sole risk and neither our Company, the Registrar, Escrow Collection Bank(s), Bankers to the Issue, the JGCBRLMs, the BRLMs shall be liable to compensate the Bidders for any losses caused to the Bidder due to any such delay or liable to pay any interest for such delay.

Mode of making refunds for Bidders other than ASBA Bidders

The payment of refund, if any, for Bidders other than ASBA Bidders would be done through the following modes:

1. NECS – Payment of refund would be done through NECS for applicants having an account at any of the centres where such facility has been made available. This mode of payment of refunds would be subject to availability of complete bank account details, and the nine digit MICR code from the Depositories.

2. Direct Credit – Applicants having bank accounts with the Refund Bank (s), shall be eligible to receive refunds through direct credit. Charges, if any, levied by the Refund Bank(s) for the same would be borne by our Company.

3. RTGS – Applicants whose refund amount exceeds Rs. 1 million have the option to receive refunds through RTGS. Such eligible applicants are required to provide the branch of the bank where they maintain their account and which is registered with their Depository Participant that is RTGS enabled. In the event the same is not provided, refund shall be made through NECS. Charges, if any, levied by the applicant's bank receiving the credit would be borne by the applicant.

4. NEFT – Payment of refund shall be undertaken through NEFT wherever the applicants' bank has been assigned the Indian Financial System Code (IFSC), which can be linked to a Magnetic Ink Character Recognition (MICR), if any, available to that particular bank branch. IFSC Code will be obtained from the website of RBI as on a date prior to the date of payment of refund, duly mapped with MICR numbers. Wherever the applicants have registered their nine digit MICR number and

their bank account number while opening and operating the demat account, the same will be duly mapped with the IFSC Code of that particular bank branch and the payment of refund will be made to the applicants through this method. The process flow in respect of refunds by way of NEFT is at an evolving stage and hence use of NEFT is subject to operational feasibility, cost and process efficiency. The process flow in respect of refunds by way of NEFT is at an evolving stage, hence use of NEFT is subject to operational feasibility, cost and process efficiency. In the event that NEFT is not operationally feasible, the payment of refunds would be made through any one of the other modes as discussed in the sections.

5. For all other applicants, the refund orders will be despatched under certificate of posting for value less than 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.

Mode of unblocking funds of ASBA Bidders

In case of ASBA Bidders, the Registrar shall instruct the relevant SCSB to unblock the funds in the relevant ASBA Account to the extent of the Bid Amount as registered in the electronic bidding system of the Stock Exchanges for withdrawn, rejected or unsuccessful ASBA Bids and for partially successful ASBA Bids the Bid Amount remaining after Allotment within 8 Working Days of the Bid/ Issue Closing Date.

DISPOSAL OF APPLICATIONS AND APPLICATION MONEYS AND INTEREST IN CASE OF DELAY

With respect to Bidders other than ASBA Bidders, our Company shall ensure dispatch of Allotment advice, refund orders (except for Bidders who receive refunds through electronic transfer of funds) and give benefit to the beneficiary account with Depository Participants and submit the documents pertaining to the Allotment to the Stock Exchanges within 10 Working Days of the Bid/Issue Closing Date.

In case of applicants who receive refunds through NECS, direct credit or RTGS, the refund instructions will be given to the clearing system within 10 Working Days from the Bid/ Issue Closing Date. A suitable communication shall be sent to the Bidders receiving refunds through this mode within 10 Working Days of Bid/ Issue Closing Date, giving details of the bank where refunds shall be credited along with amount and expected date of electronic credit of refund.

Our Company shall use best efforts to ensure that all steps for completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges where the Equity Shares are proposed to be listed, are taken within 12 Working Days of the Bid/Issue Closing Date.

In accordance with the Companies Act, the requirements of the Stock Exchanges and the SEBI Regulations, our Company further undertakes that:

- Allotment of Equity Shares shall be made only in dematerialised form within nine Working Days of the Bid/ Issue Closing Date; and

- With respect to Bidders other than ASBA Bidders, dispatch of refund orders or in a case where the refund or portion thereof is made in electronic manner, the refund instructions are given to the clearing system within 10 Working Days of the Bid/ Issue Closing Date would be ensured. With respect to the ASBA Bidders, instructions for unblocking of the ASBA Bidder's Bank Account shall be made within 10 Working Days from the Bid/ Issue Closing Date.

Our Company shall pay interest at 15% p.a. for any delay beyond the 12 days from the Bid/Issue Closing Date as mentioned above, if Allotment is not made and refund orders are not dispatched or if, in a case where the refund or portion thereof is made in electronic manner, the refund instructions have not been

given to the clearing system in the disclosed manner and/or demat credits are not made to investors within the 12 days prescribed above.

IMPERSONATION

Attention of the applicants is specifically drawn to the provisions of sub-section (1) of Section 68 A of the Companies Act, which is reproduced below:

"***Any person who:***

(a) makes in a fictitious name, an application to a company for acquiring or subscribing for, any shares therein, or

(b) otherwise induces a company to allot, or register any transfer of shares, therein to him, or any other person in a fictitious name,

shall be punishable with imprisonment for a term which may extend to five years."

BASIS OF ALLOTMENT

A. For Retail Individual Bidders

- Bids received from the Retail Individual Bidders at or above the Issue Price shall be grouped together to determine the total demand under this category. The Allotment to all the successful Retail Individual Bidders will be made at the Issue Price.

- The Issue size less Allotment to Non-Institutional and QIB Bidders shall be available for Allotment to Retail Individual Bidders who have Bid in the Issue at a price that is equal to or greater than the Issue Price.

- If the aggregate demand in this category is less than or equal to [•] Equity Shares at or above the Issue Price, full Allotment shall be made to the Retail Individual Bidders to the extent of their valid Bids.

- If the aggregate demand in this category is greater than [•] Equity Shares at or above the Issue Price, the Allotment shall be made on a proportionate basis up to a minimum of [•] Equity Shares. For the method of proportionate Basis of Allotment, refer below.

B. For Non-Institutional Bidders

- Bids received from Non-Institutional Bidders at or above the Issue Price shall be grouped together to determine the total demand under this category. The Allotment to all successful Non-Institutional Bidders will be made at the Issue Price.

- The Issue size less Allotment to QIBs and Retail 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 [•] 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 [•] Equity Shares at or above the Issue Price, Allotment shall be made on a proportionate basis up to a minimum of [•] Equity Shares. For the method of proportionate Basis of Allotment refer below.

C. For QIBs

- Bids received from the QIB Bidders at or above the Issue Price shall be grouped together to determine the total demand under this portion. The Allotment to all the QIB Bidders will be made at the Issue Price.

- The QIB Portion shall be available for Allotment to QIB Bidders who have Bid in the Issue at a price that is equal to or greater than the Issue Price.

- Allotment shall be undertaken in the following manner:

  (a) In the first instance allotment to Mutual Funds for up to 5% of the QIB Portion (excluding Anchor Investor Portion) shall be determined as follows:

    (i) In the event that Bids by Mutual Fund exceeds 5% of the QIB Portion (excluding Anchor Investor Portion), allotment to Mutual Funds shall be done on a proportionate basis for up to 5% of the QIB Portion (excluding Anchor Investor Portion).

    (ii) In the event that the aggregate demand from Mutual Funds is less than 5% of the QIB Portion (excluding Anchor Investor 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 allotment 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 allotment 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 (excluding Anchor Investor Portion), if any, from Mutual Funds, would be included for allotment to the remaining QIB Bidders on a proportionate basis.

- The aggregate Allotment to QIB Bidders shall not be less than [●] Equity Shares.

D. For Anchor Investor Portion

- Allocation of Equity Shares to Anchor Investors at the Anchor Investor Issue Price will be at the discretion of our Company, in consultation with the JGCBRLMs and the BRLMs, subject to compliance with the following requirements:

  - not more than 30% of the QIB Portion will be allocated to Anchor Investors;

- one-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the price at which allocation is being done to other Anchor Investors;
- allocation to Anchor Investors shall be on a discretionary basis and subject to a minimum number of two Anchor Investors for allocation upto Rs. 2,500 million and minimum number of five Anchor Investors for allocation more than Rs. 2,500 million.

- The number of Equity Shares Allotted to Anchor Investors at the Anchor Investor Issue Price, shall be made available in the public domain by the JGCBRLMs and the BRLMs before the Bid/ Issue Opening Date by intimating the same to the Stock Exchanges.

Method of Proportionate Basis of Allotment in the Issue

In the event of the Issue being over-subscribed, our Company 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 JGCBRLMs, the BRLMs and the Registrar 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:

a) Bidders will be categorised according to the number of Equity Shares applied for.

b) The total number of Equity Shares to be Allotted to each category as a whole shall be arrived at on a proportionate basis, which is the total number of Equity Shares applied for in that category (number of Bidders in the category multiplied by the number of Equity Shares applied for) multiplied by the inverse of the over-subscription ratio.

c) Number of Equity Shares to be Allotted to the successful Bidders will be arrived at on a proportionate basis, which is total number of Equity Shares applied for by each Bidder in that category multiplied by the inverse of the over-subscription ratio.

d) In all Bids where the proportionate Allotment is less than [•] Equity Shares per Bidder, the Allotment shall be made as follows:

   (a) 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 to the extent possible equal to the number of Equity Shares calculated in accordance with (b) above; and

   (b) Each successful Bidder shall be Allotted a minimum of [•] Equity Shares.

e) If the proportionate Allotment to a Bidder is a number that is more than [•] but is not a multiple of one (which is the marketable lot), the decimal would be rounded off to the higher whole number if that decimal is 0.5 or higher. If that number is lower than 0.5 it would be rounded off to the lower whole number. Allotment to all in such categories would be arrived at after such rounding off.

Illustration of Allotment to QIBs and Mutual Funds ("MF")

A. Issue Details

Sr. No.	Particulars	Issue details
1.	Issue size	200 million equity shares

Sr. No.	Particulars	Issue details
2.	Allotment to QIB (50%)	100 million equity shares
	Of which:	
	a. Allocation to MF (5%)	5 million equity shares
	b. Balance for all QIBs including MFs	95 million equity shares
5.	No. of QIB applicants	10
6.	No. of 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 MFs), MF1-MF5 (QIB bidders which are Mutual Funds)

C. Details of Allotment to QIB Bidders/ Applicants

(Number of equity shares in million)

Type of QIB bidders	Shares bid for	Allocation of 5% Equity Shares to MF proportionately (please see note 2 below)	Allocation of balance 95% Equity Shares to QIBs proportionately (please see note 4 below)	Aggregate allocation to MFs
(I)	**(II)**	**(III)**	**(IV)**	**(V)**
A1	50	0	9.60	0
A2	20	0	3.84	0
A3	130	0	24.95	0
A4	50	0	9.60	0
A5	50	0	9.60	0
MF1	40	1	7.48	8.48
MF2	40	1	7.48	8.48
MF3	80	2	14.97	16.97
MF4	20	0.5	3.74	4.24
MF5	20	0.5	3.74	4.24
	500	**5**	**95**	**42.41**

Please note:

1. The illustration presumes compliance with the requirements specified in this Draft Red Herring Prospectus in "Issue Structure" on page 582.

2. Out of 100 million equity shares allocated to QIBs, 5 million (i.e. 5.0%) will be allocated

on proportionate basis among 5 mutual fund applicants who applied for 200 shares in QIB category.

3. The balance 95 million Equity Shares i.e., 100 - 5 (available for Mutual Funds only) will be Allotted on a proportionate basis among 10 QIB Bidders who applied for 500 million Equity Shares (including 5 Mutual Fund applicants who applied for 200 million Equity Shares).

4. The figures in the fourth column titled "Allocation of balance 95.00 million equity shares to QIBs proportionately" in the above illustration are arrived as under:

- For QIBs other than mutual funds (A1 to A5)= No. of shares bid for (i.e. in column II) X 95 / 495.
- 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.
- The numerator and denominator for arriving at allocation of 95.00 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.

Letters of Allotment or Refund Orders or instructions to the SCSBs

Our Company shall give credit to the beneficiary account with depository participants within nine Working Days from the Bid/ Issue Closing Date. Eligible Applicants residing at the centres where clearing houses are managed by the RBI, will get refunds through NECS only except where applicant is otherwise disclosed as eligible to get refunds through direct credit and RTGS. Our Company shall ensure dispatch of refund orders, if any, of value up to Rs. 1,500, by "Under Certificate of Posting", and shall dispatch refund orders above Rs. 1,500, if any, by registered post or speed post at the sole or First Bidder's sole risk within 10 Working Days of the Bid/ Issue Closing Date. Bidders 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 10 Working Days of the Bid/ Issue Closing Date. In case of ASBA Bidders, the Registrar shall instruct the relevant SCSBs to unblock the funds in the relevant ASBA Account to the extent of the Bid Amount specified in the ASBA Bid cum Application Forms for withdrawn, rejected or unsuccessful or partially successful ASBA Bids within 10 Working Days of the Bid/ Issue Closing Date.

Interest in case of delay in despatch of Allotment Letters or Refund Orders/ instruction to the SCSBs by the Registrar.

Our Company agrees that (i) Allotment of Equity Shares; and (ii) credit to the successful Bidders' depositary accounts will be completed within nine Working Days of the Bid/ Issue Closing Date. Our Company further agrees that it shall pay interest at the rate of 15% p.a. if the Allotment letters or refund orders have not been despatched to the applicants or if, in a case where the refund or portion thereof is made in electronic manner, the refund instructions have not been given in the disclosed manner within 10 Working Days from the Bid/ Issue Closing Date.

Our Company will provide adequate funds required for dispatch of refund orders or Allotment advice to the Registrar.

Refunds will be made by cheques, pay-orders or demand drafts drawn on a bank appointed by our Company as a Refund Bank and payable at par at places where Bids are received. Bank charges, if any, for encashing such cheques, pay orders or demand drafts at other centres will be payable by the Bidders.

UNDERTAKINGS BY OUR COMPANY

Our Company undertakes the following:

- That the complaints received in respect of this Issue shall be attended to by our Company expeditiously and satisfactorily;
- 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 within [11 Working Days] of the Bid/ Issue Closing Date;
- That funds required for making refunds to unsuccessful applicants as per the mode(s) disclosed shall be made available to the Registrar by our Company;
- That where refunds are made through electronic transfer of funds, a suitable communication shall be sent to the applicant within 10 Working Days of the Bid/ Issue Closing Date, as the case may be, giving details of the bank where refunds shall be credited along with amount and expected date of electronic credit of refund;
- That the certificates of the securities/ refund orders to Eligible NRIs shall be despatched within specified time;
- That no further issue of Equity Shares shall be made till the Equity Shares offered through the Red Herring Prospectus are listed or until the Bid monies are refunded on account of non-listing, under-subscription etc.; and
- That adequate arrangements shall be made to collect all ASBA Bid cum Application Forms and to consider them similar to non-ASBA applications while finalising the Basis of Allotment.

Our Company shall not have recourse to the Issue proceeds until the final approval for listing and trading of the Equity Shares from all the Stock Exchanges where listing is sought, has been received.

Withdrawal of the Issue

Our Company, in consultation with the JGCBRLMs and the BRLMs, reserves the right not to proceed with the Issue anytime after the Bid/Issue Opening Date but before the Allotment of Equity Shares. In such an event, our Company would issue a public notice in the newspapers, in which the pre-Issue advertisements were published, within two Working Days of the Bid/ Issue Closing Date, providing reasons for not proceeding with the Issue. Our Company shall also inform the same to Stock Exchanges on which the Equity Shares are proposed to be listed.

Any further issue of Equity Shares by our Company shall be in compliance with applicable laws.

Utilisation of Issue proceeds

The Board of Directors certify that:

- all monies received out of the Issue shall be credited/ transferred to a separate bank account other than the bank account referred to in sub-section (3) of Section 73 of the Companies Act;
- details of all monies utilised out of Issue shall be disclosed, and continue to be disclosed till the time any part of the issue proceeds remains unutilised, under an appropriate head in our balance sheet indicating the purpose for which such monies have been utilised;
- details of all unutilised monies out of the Issue, if any shall be disclosed under an appropriate

separate head in the balance sheet indicating the form in which such unutilised monies have been invested;

- the utilisation of monies received under Promoter's contribution shall be disclosed, and continue to be disclosed till the time any part of the Issue proceeds remains unutilised, under an appropriate head in the balance sheet of our Company indicating the purpose for which such monies have been utilised; and

- the details of all unutilised monies out of the funds received under Promoter's contribution shall be disclosed under a separate head in the balance sheet of the issuer indicating the form in which such unutilised monies have been invested.

RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES

Foreign investment in Indian securities is regulated through the Industrial Policy, 1991 of GoI and FEMA. While the Industrial Policy, 1991 prescribes the limits and the conditions subject to which foreign investment can be made in different sectors of the Indian economy, FEMA regulates the precise manner in which such investment may be made. Under the Industrial Policy, unless specifically restricted, foreign investment is freely permitted in all sectors of Indian economy up to any extent and without any prior approvals, but the foreign investor is required to follow certain prescribed procedures for making such investment. As per current foreign investment policies, foreign investment in the real estate sector is permitted under the automatic route in relation to investments by NRIs.

By way of Circular No. 53 dated December 17, 2003, the RBI has permitted FIIs to subscribe to shares of an Indian company in a public offer without the prior approval of the RBI, so long as the price of the equity shares to be issued is not less than the price at which the equity shares are issued to residents.

Transfers of equity shares previously required the prior approval of the FIPB. However, vide a RBI circular dated October 4, 2004 issued by the RBI, the transfer of shares between an Indian resident and a non-resident does not require the prior approval of the FIPB or the RBI, provided that (i) the activities of the investee company are under the automatic route under the foreign direct investment (FDI) Policy and transfer does not attract the provisions of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 (ii) the non-resident shareholding is within the sectoral limits under the FDI policy, and (iii) the pricing is in accordance with the guidelines prescribed by the SEBI/RBI.

Foreign Investment in the Real Estate Sector

The Industrial Policy, 1991 prescribed the limits and the conditions subject to which foreign investment can be made in different sectors of the Indian economy. The Government of India has since amended the Industrial Policy, 1991 from time to time in order to enable FDI in various sectors in a phased manner gradually allowing higher levels of foreign participation in Indian companies. The FEMA regulates the precise manner in which such investment may be made.

Foreign investment in the real estate sector is regulated by the relevant provisions of the FDI Manual ("**FDI Manual**"), the Foreign Exchange Management (Transfer of Issue of Security by a person Resident Outside India) Regulations, 2000 **("FEMA Regulations"),** and the relevant Press Notes issued by the **S**ecretariat for Industrial Assistance, GoI including the FDI Circular.

FDI Manual

Item No. 9 of Annexure II to the said FDI Manual outlines the sectoral caps in relation to 'Housing and Real Estate'. The said annexure, specifies the following as activities under the automatic route in which Investment are permitted only by NRI's:

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

FEMA Regulations

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

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

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

Press Note 2 of 2005 and the FDI Circular

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 and as provided under the FDI Circular. 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 and Chapter 5 of the FDI Circular, 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 sq. mts.
    3. In case of a combination project, anyone of the above two conditions would suffice
b. Minimum capitalisation of US$ 10 million for wholly owned subsidiaries and US$ 5 million for joint ventures with Indian partners. The funds are to be brought in within six months of commencement of business of our Company.
c. Original investment is not to be repatriated before a period of three years from completion of minimum capitalisation. The investor is to be permitted to exit earlier with prior approval of the Government through the FIPB. At least 50% of the project must be developed within a period of five years from the date of obtaining all statutory clearances. The investor would not be permitted to sell undeveloped plots.

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

Note:

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

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

The Equity Shares have not been and will not be registered under the US Securities Act of 1933 and may not be offered or sold within the United States (as defined in Regulation S under the Securities Act), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. Accordingly, the Equity Shares are only being offered outside the

United States in offshore transactions in compliance with Regulation S under the Securities Act and the applicable laws of the jurisdiction where those offers and sales occur.

The above information is given for the benefit of the Bidders. Our Company, the JGCBRLMs and the BRLMs are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Draft Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that the number of Equity Shares Bid for do not exceed the applicable limits under laws or regulations.

SECTION VIII – MAIN PROVISIONS OF THE ARTICLES OF ASSOCIATION

CAPITAL

3. *Authorized Share Capital*

The authorized share capital of the Company shall be such amount as is given, in Clause V of the Memorandum of Association.

4. *Shares at the Disposal of the Directors*

Subject to the provisions of Section 81 of the Act and these Articles, the shares in the capital of the Company for the time being shall be under the control of the Board of Directors who may issue, allot or otherwise dispose of the same or any of them to such persons, in such proportion and on such terms and conditions and either at a premium or at par or (subject to the compliance with the provision of Section 79 of the Act) at a discount and at such time as they may from time to time think fit and with the sanction of the Company in the General Meeting to give to any person or persons the option or right to call for any shares either at par or premium during such time and for such consideration as the Directors think fit, and may issue and allot shares in the capital of the Company on payment in full or part of any property sold and transferred or for any services rendered to the Company in the conduct of its business and any shares which may so be allotted may be issued as fully paid up shares, and if so issued, shall be deemed to be fully paid shares. Without prejudice to the generality of the forgoing, the Directors shall also be empowered to issue Shares for the purposes of granting stock options to its permanent employees under the terms and conditions of the SEBI (Employee Stock Option Scheme & Employee Stock Purchase Scheme) Guidelines, 1999 or any other applicable law, as amended from time to time. Provided that option or right to call of shares shall not be given to any person or persons without the sanction of the Company in the General Meeting.

5. *Consideration for Allotment*

The Board of Directors may allot and issue shares of the Company as payment or part payment for any property purchased by the Company or in respect of goods sold or transferred or machinery or appliances supplied or for services rendered to the Company in or about the formation of the Company or the acquisition and or in the conduct of its business; and any shares which may be so allotted may be issued as fully/partly paid up shares and if so issued shall be deemed as fully/partly paid up shares.

6. *Restriction on Allotment*

(a) The Directors shall in making the allotments duly observe the provision of the Act;

(b) The amount payable on application on each share shall not be less than 5% of the nominal value of the share; and

(c) Nothing therein contained shall prevent the Directors from issuing fully paid up shares either on payment of the entire nominal value thereof in cash or in satisfaction of any outstanding debt or obligation of the Company

7. *Increase of Capital*

The Company at its General Meeting may, from time to time, by an Ordinary Resolution increase the capital by the creation of new shares, such increase to be of such aggregate amount and to be divided into shares of such respective amounts as the resolution shall prescribe. The new shares shall be issued on such terms and conditions and with such rights and privileges annexed thereto as the resolution shall prescribe, and in particular, such shares may be issued with a preferential or

qualified right to dividends, and in the distribution of assets of the Company and with a right of voting at General Meeting of the Company in conformity with Section 87 of the Companies Act 1956. Whenever the capital of the Company has been increased under the provisions of the Articles, the Directors shall comply with the provisions of Section 97 of the Act.

8. *Reduction of Capital*

The Company may, subject to the provisions of Sections 78, 80, 100 to 105 (both inclusive) and other applicable provisions of the Act from time to time, by Special Resolution reduce its capital and any Capital Redemption Reserve Account or Share Premium Account in any manner for the time being authorized by law, and in particular, the capital may be paid off on the footing that it may be called up again or otherwise.

9. *Sub-division and Consolidation of Shares*

Subject to the provisions of Section 94 of the Act, the Company in General Meeting, may by an ordinary resolution from time to time:

(a) Divide, sub-divide or consolidate its shares, or any of them, and the resolution whereby any share is sub-divided, may determine that as between the holders of the shares resulting from such sub-division one or more of such shares have some preference of special advantage as regards dividend capital or otherwise as compared with the others

(b) Cancel shares which at the date of such general meeting have not been taken or agreed to be taken by any person and diminish the amount of its share capital by the amount of the shares so cancelled.

10. *New capital part of the existing capital*

Except so far as otherwise provided by the conditions of the issue or by these presents any capital raised by the creation of new shares, shall be considered as part of the existing capital and shall be subject to the provisions herein contained, with reference to the payment of calls and installments, forfeiture, lien, surrender, transfer and transmission, voting and otherwise.

11. *Power to issue Shares with differential voting rights*

The Company shall have the power to issue Shares with such differential rights as to dividend, voting or otherwise, subject to the compliance with requirements as provided for in the Companies (Issue of Share Capital with Differential Voting Rights) Rules, 2001, or any other law as may be applicable.

12. *Power to issue preference shares*

Subject to the provisions of Section 80 of the Act, the Company shall have the powers to issue preference shares which are liable to be redeemed and the resolution authorizing such issue shall prescribe the manner, terms and conditions of such redemption.

13. *Further Issue of Shares*

(a) here at any time after the expiry of two years from the formation of the Company or at any time after the expiry of one year from the allotment of shares in the Company made for the first time after its formation, whichever is earlier, it is proposed to increase the subscribed capital of the Company by allotment of further shares then

(i) Such further shares shall be offered to the persons who at the date of the offer, are holders of the equity shares of the Company, in proportion, as nearly as circumstances admit, to the capital paid up on those share at that date.

(ii) The offer aforesaid shall be made by a notice specifying the number of shares offered and limiting a time not being less than thirty days from the date of offer within which the offer, if not accepted, will be deemed to have been declined.

(iii) The offer aforesaid shall be deemed to include a right exercisable by the person concerned to renounce the shares offered to him or any of them in favor of any other person and the notice referred to in sub clause (b) hereof shall contain a statement of this right.

(iv) After the expiry of the time specified in the aforesaid notice or on receipt of earlier intimation from the person to whom such notice is given that he declines to accept the shares offered, the Board may dispose of them in such manner as they may think, in their sole discretion, fit.

(b) Notwithstanding anything contained in sub-clause (1) the further shares aforesaid may be offered to any persons {whether or not those persons include the persons referred to in clause (a) of sub- clause (1) hereof) in any manner whatsoever.

(i) If a special resolution to that effect is passed by the Company in General Meeting, or

(ii) Where no such special resolution is passed, if the votes cast (whether on a show of hands or on a poll as the case may be) in favor of the proposal contained in the resolution moved in the general meeting (including the casting vote, if any, of the Chairman.) by the members who, being entitled to do so, vote in person, or where proxies are allowed by proxy, exceed the votes, if any, cast against the proposal by members so entitled and voting and the Central Government is satisfied, on an application made by the Board of Directors in this behalf that the proposal is most beneficial to the Company.

(c) Nothing in sub-clause (c) of (1) hereof shall be deemed:

(i) To extend the time within which the offer should be accepted; or

(ii) To authorize any person to exercise the right of renunciation for a second time on the ground that the person in whose favor the renunciation was first made has declined to take the shares comprised in the renunciation.

(d) Nothing in this Article shall apply to the increase of the subscribed capital of the Company caused by the exercise of an option attached to the debenture issued or loans raised by the Company:

(i) To convert such debentures or loans into shares in the Company; or

(ii) To subscribe for shares in the Company.

PROVIDED THAT the terms of issue of such debentures or the terms of such loans include a term providing for such option and such term:

(A) Either has been approved by the Central Government before the issue of the debentures or the raising of the loans or is in conformity with Rules, if any, made by that Government in this behalf; and

(B) In the case of debentures or loans or other than debentures issued to or loans obtained from Government or any institution specified by the Central Government in this behalf, has also been approved by a special resolution passed by the Company in General Meeting before the issue of the debentures or raising of the loans.

14. *Rights to convert loans into capital*

Notwithstanding anything contained in sub-clauses(s) above, but subject, however, to Section 81(3) of the Act, the Company may increase its subscribed capital on exercise of an option attached to the debentures or loans raised by the Company to convert such debentures or loans into shares or to subscribe for shares in the Company.

15. *Allotment on application to be acceptance of shares*

Any application signed by or on behalf of an applicant for shares in the Company followed by an allotment of any share therein, shall be an acceptance of shares within the meaning of these Articles, and every person who thus or otherwise accepts any shares and whose name is on the register, shall, for the purpose of these articles, be a Member.

16. *Returns on allotments to be made or Restrictions on Allotment*

The Board shall observe the restrictions as regards allotment of shares to the public contained in Section 69 and 70 of the Act, and as regards return on allotments, the Directors shall comply with Section 75 of the Act.

17. *Money due on shares to be a debt to the Company*

The money (if any) which the Board shall, on the allotment of any shares being made by them, require or direct to be paid by way of deposit, call or otherwise in respect of any shares allotted by them, shall immediately on the inscription of the name of allottee in the Register 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.

18. *Members or heirs to pay unpaid amounts:*

Every Member or his heir's executors or administrators shall pay to the Company the portion of the capital represented by his share or shares which may, for the time being remain unpaid thereon, in such amounts, at such time or times and in such manner, as the Board shall from time to time, in accordance with the Company's regulations require or fix for the payment thereof.

SHARE CERTIFICATES

19. (a) *Every Member entitled to certificate for his shares*

(i) Every member or allottee of shares shall be entitled, without payment, to receive one or more certificates specifying the name of the person in whose favor it is issued, the shares to which it relates, and the amount paid thereon. Such certificates shall be issued only in pursuance of a resolution passed by the Board and on surrender to the Company of fractional coupon of requisite value, save in case of issue of share certificates against letters of acceptance of or renunciation or in cases of issues of bonus shares.

(ii) Every such certificate shall be issued under the seal of the Company, which shall be affixed in the presence of (1) two Directors or persons acting on behalf of the Directors under duly registered powers of attorney; and (2) the Secretary or some other persons appointed by the Board for the purpose and the two Directors or their attorneys and the secretary or other persons shall sign the Share Certificate, provided that if the composition of the Board permits, at least one of the aforesaid two Directors shall be a person other than the Managing Director.

(iii) Particulars of every share certificate issued shall be entered in the Registrar of Members against the name of the person to whom it has been issued, indicating date of issue.

(b) *Joint ownership of shares*

Any two or more joint allottees of shares shall be treated as a single member for the purposes of this article and any share certificate, which may be the subject of joint ownership, may be delivered to any one of such joint owners on behalf of all of them. The Company shall comply with the provisions of Section 113 of the Act.

(c) *Director to sign Share Certificates*

A Director may sign a share certificate by affixing his signature thereon by means of any machine, equipment or other mechanical means, such as engraving in metal or lithography but not by means of rubber stamp, provided that the Director shall be responsible for the safe custody of such machine, equipment or other materials use for the purpose.

(d) *Issue of new certificate in place of one defaced, lost or destroyed or Renewal of Certificates*

If any certificate be worn out, defaced, mutilated or torn or if there be no further space on the back thereof for endorsement of transfer, then upon production and surrender thereof to the Company, a new Certificate may be issued in lieu thereof, and if any certificate lost or destroyed then upon proof thereof to the satisfaction of the Company and on execution of such indemnity as the Company deem adequate, being given, a new Certificate in lieu thereof shall be given to the party entitled to such lost or destroyed Certificate. Every Certificate under the Article shall be issued without payment of fees if the Directors so decide, or on payment of such fees (not exceeding Rs.2/- for each certificate) as the Directors shall prescribe. Provided that no fee shall be charged for issue of new certificates in replacement of those which are old, defaced or worn out or where there is no further space on the back thereof for endorsement of transfer.

Provided that notwithstanding what is stated above the Directors shall comply with such Rules or Regulation or requirements of any Stock Exchange or the Rules made under the Act or the rules made under Securities Contracts (Regulation) Act, 1956 or any other Act. or rules applicable in this behalf.

The provision of these Articles shall mutatis mutandis apply to debentures of the Company.

(e) *Renewal of Share Certificate*

When a new share certificate has been issued in pursuance of clause(d) of this article, it shall state on the face of it and against the stub or counterfoil to the effect that it is issued in lieu of share certificate No…….. sub-divided/replaced on consolidation of shares.

(f) When a new certificate has been issued in pursuance of clause (d) of this Article, it shall state on the face of it against the stub or counterfoil to the effect that it is duplicate issued in lieu of share certificate No……. The word 'Duplicate' shall be stamped or punched in bold letters across the face of the share certificate and when a new certificate has been issued in pursuance of clauses (c), (d), (e) and (f) of this Article, particulars of every such share certificate shall be entered in a Register of Renewed and Duplicate Certificates indicating against it ,the names of the persons to whom the certificate is issued, the number and the necessary changes indicated in the Register of Members by suitable cross references in the "remarks" column.

(g) All blank forms, share certificates shall be printed only on the authority of a resolution duly passed by the Board.

20. *Rules to issue share certificates*

The rules under "The Companies (Issue of Share Certificate) Rules, 1960 shall be complied with in the issue, reissue, renewal of share certificates and the format sealing and signing of the certificates and records of the certificates issued shall be maintained in accordance with the said rules. The Company shall keep ready share certificates for delivery within 2 months after allotment.

21. *Responsibilities to maintain records*

The Managing Director of the Company for the time being or if the Company has no Managing Director, every Director of the Company shall be responsible for maintenance, preservation and safe custody of all books and documents relating to the issue of share certificates.

22. *Rights of Joint Holders*

If any share stands in the names of two or more persons, the person first named in the Register shall, as regards receipt of dividends or bonus or service of notices and all or any other matter connected with the Company, except voting at meeting and the transfer of the shares be deemed the sole holder thereof but the joint holders of share shall be severally as well as jointly liable for payment of all installments and calls due in respect of such share and for all incidents thereof according to the Company's regulations.

23. *Limitation Of Time For Issue Of Certificates*

Every member shall be entitled, without payment, to one or more certificates in marketable lots, for all the shares of each class or denomination registered in his name, or if the Directors so approve (upon paying such fee as the Directors may from time to time determine) to several certificates, each for one or more of such shares and the Company shall complete and have ready for delivery such certificates within three months from the date of allotment, unless the conditions of issue thereof otherwise provide, or within one month of the receipt of app1ication of registration of transfer, transmission, sub-division, consolidation or renewal of any of its shares as the case may be. Every certificate of shares shall be under the seal of the Company and shall specify the number and distinctive numbers of shares in respect of which it is issued and amount paid-up thereon and shall be in such form as the directors may prescribe or approve provided that in respect of a share or shares held jointly by several persons, the Company shall not be bound to issue more than one certificate and delivery of a certificate to one of several joint holders shall be sufficient delivery to all such holders.

UNDERWRITING & BROKERAGE

24. *Commission for placing shares, debentures, etc*

(a) Subject to the provisions of the Act, the Company may at any time pay a commission to any person for subscribing or agreeing to subscribe (whether absolutely of conditionally) for any shares, debentures, or debenture-stock of the Company or underwriting or procuring or agreeing to procure subscriptions (whether absolute or conditional) for shares, debentures or debenture-stock of the Company

(b) The Company may also, in any issue, pay such brokerage as may be lawful.

LIEN

25. *Company's lien on shares /debentures*

The Company shall have a first and paramount lien upon all the shares /debentures (other than fully paid up shares/debentures) registered in the name of each member (whether solely or jointly with others) and upon the proceeds of sale thereof for all moneys (whether presently payable or not) called or payable at fixed time in respect of such shares/debentures, and no equitable interest in any shares shall be created except upon the footing and condition that this Article will have full effect and such lien shall extend to all dividends and bonuses from time to time declared in respect of such shares/debentures. Unless otherwise agreed, the registration of a transfer of shares/debentures shall operate as a waiver of the Company's lien if any, on such shares/debentures. The Directors may at any time declare any shares/debentures wholly or in part to be exempt from provisions of this clause.

26. *Enforcing lien by sale*

For the purpose of enforcing such lien, the Board may sell the shares subject thereto in such manner as they think fit, and for that purpose may cause to be issued a duplicate certificate in respect of such shares and may authorize one of their members to execute a transfer thereof on behalf of and in the name of such member. No sale shall be made until such period as aforesaid shall have arrived and until notice in writing of the intention to sell have served on such member or his representative and default shall have been made by him or them in payment, fulfillment or discharge of such debts, liabilities or engagements for fourteen days after such notice.

27. *Application of sale proceeds*

The net proceeds of any such sale shall be received by the Company and applied in or towards payment of such part of the amount in respect of which the lien exists as is presently payable and the residue, if any, shall (subject to a lien for sums not presently payable as existed upon the shares before the sale) be paid to the person entitled to the shares at the date of the sale.

CALLS ON SHARES

28. *Board to have right to make calls on shares*

The Board may, from time to time, subject to the terms on which any shares may have been issued and subject to the conditions of allotment, by a resolution passed at a meeting of the Board (and not by circular resolution), make such call as it thinks fit upon the members in respect of all moneys unpaid on the shares held by them respectively and each member shall pay the amount of every call so made on him to the person or persons and the member(s) and place(s) appointed by the Board. A call may be made payable by installments.

Provided that the Board shall not give the option or right to call on shares to any person except with the sanction of the Company in General Meeting.

29. *Notice for call*

Fourteen days notice in writing of any call shall be given by the Company specifying the date, time and places of payment and the person or persons to whom such call be paid.

30. *Call when made*

The Board of Directors may, when making a call by resolution, determine the date on which such call shall be deemed to have been made not being earlier than the date of resolution making such call, and thereupon the call shall deemed to have been made on the date so determined and if no such date is so determined a call shall be deemed to have been made at the date when the resolution authorizing such call was passed at the meeting of the Board.

31. *Liability of joint holders for a call*

The joint-holders of a share shall be jointly and severally liable to pay all calls in respect thereof.

32. *Board to extend time to pay call*

The Board may, from time to time, at its discretion extend the time fixed for the payment of any call and may extend such time to all or any of the members The Board may be fairly entitled to grant such extension, but no member shall be entitled to such extension, save as a matter of grace and favor.

33. *Calls to carry Interest*

If a member fails to pay any call due from him on the day appointed for payment thereof, or any such extension thereof as aforesaid, he shall be liable to pay interest on the same from the day appointed for the payment thereof to the time of actual payment at 5% per annum or such lower rate as shall from time to time be fixed by the Board but nothing in this Article shall render it obligatory for the Board to demand or recover any interest from any such member.

34. *Dues deemed to be calls*

Any sum, which as per the terms of issue of a share becomes payable on allotment or at a fixed date whether on account of the nominal value of the share or by way of premium, shall for the purposes of the Articles be deemed to be a call duly made and payable on the date on which by the terms of issue the same may become payable and in case of non payment all the relevant provisions of these Articles as to payment of interest and expenses, forfeiture or otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified.

35. *Proof of dues in respect of share*

On any trial or hearing of any action or suit brought by the Company against any member or his representatives for the recovery of any money claimed to be due to the Company in respect of his shares it shall be sufficient to prove (i) that the name of the members in respect of whose shares the money is sought to be recovered appears entered in the Register of Members as the holder, at or subsequent to the date on which the money sought to be recovered is alleged to have become due on the shares, (ii) that the resolution making the call is duly recorded in the minute book, and that notice of such call was duly given to the member or his representatives pursuance of these Articles, and (iii) it shall not be necessary to prove the appointment of the Directors who made such call, nor any other matters whatsoever, but the proof of the matters aforesaid shall be conclusive of the debt.

36. *Partial payment not to preclude forfeiture*

Neither a judgment nor a decree in favor of the Company, for call or other moneys due in respect of any share nor any part payment or satisfaction thereunder, nor the receipt by the Company of a

portion of any money which shall, from time to time be due from any member to the Company in respect of his shares either by way of principal or interest, nor any indulgence granted by the Company in respect of the payment of any such money shall preclude the Company from thereafter proceeding to enforce forfeiture of such shares as hereinafter provided.

37. *Payment in anticipation of call may carry interest*

(a) The Directors may, if they think fit, subject to the provisions of Section 92 of the Act, agree to and receive from any member willing to advance the same whole or any part of the moneys due upon the shares held by him beyond the sums actually called for and upon the amount so paid or satisfied in advance, or so much thereof as from time to time exceeds the amount of the calls then made upon the shares in respect of which such advance has been made, the Company may pay interest at such rate, as the member paying such sum in advance and the Directors agree upon provided that money paid in advance of calls shall not confer a right to participate in profits or dividend. The Directors may at any time repay the amount so advanced.

(b) The members shall not be entitled to any voting rights in respect of the moneys so paid by him until the same would but for such payment become presently payable.

(c) The provisions of these Articles shall mutatis mutandis apply to the calls on debentures of the Company.

FORFEITURE OF SHARES

38. *Board to have right to forfeit shares*

If any member fails to pay any call or installment of a call or before the day appointed for the payment of the same or any such extension thereof as aforesaid, the Board may at any time thereafter during such time as the call or installment remains unpaid, give notice to him requiring him to pay the same together with any interest that may have accrued and all expenses that may have been incurred by the Company by reason of such non-payment.

39. *Notice for forfeiture of shares*

(a) The notice shall name a further day (not earlier than the expiration of fourteen days from the date of notice) and place or places on which such call or installment and such interest thereon (at such rate as the Directors shall determine from the day on which such call or installment ought to have been paid) and expenses as aforesaid, are to be paid.

(b) The notice shall also state that in the event of the non-payment at or before the time the call was made or installment is payable the shares will be liable to be forfeited.

40. *Effect of forfeiture*

If the requirements of any such notice as aforesaid were not complied with, every or any share in respect of which such notice has been given may at any time thereafter, before the payment required by the notice has been made, be forfeited by a resolution of the Board to that effect. Such forfeiture shall include all dividends declared or any other moneys payable in respect of the forfeited share and not actually paid before the forfeiture.

41. *Notice of forfeiture*

When any share shall have been so forfeited, notice of the forfeiture shall be given to the member on whose name it stood immediately prior to the forfeiture and any entry of the forfeiture with the date thereof, shall forthwith be made in the Register of Member, but no forfeiture shall be in any

manner invalidated by any omission or neglect to give such notice or to make any such entry as aforesaid.

42. *Forfeited share to be the property of the Company*

Any share so forfeited shall be deemed to be the property of the Company and may be sold, re-allocated or otherwise disposed of either to the original holder thereof or to any other person upon such terms and in such manner as the Board shall think fit.

43. *Member to be liable even after forfeiture*

Any member whose shares have been forfeited shall, notwithstanding the forfeiture be liable to pay and shall forthwith pay to the Company on demand all calls, installments, interest and expenses owing upon or in respect of such shares at the time of the forfeiture together with the interest thereon from time to time of the forfeiture until payment at such rates as the Board may determine and the Board may enforce the payment thereof, if it thinks fit.

44. *Claims against the Company to extinguish on forfeiture*

The forfeiture of a share involves extinction, at the time of the forfeiture of all interest in and all claims and demands against the Company, in respect of the shares and all other rights incidental to the share, except only such of those rights as by these Articles expressly saved.

45. *Evidence of forfeiture*

A duly verified declaration in writing that the declarant is a Director or Secretary of the Company, and that a share in the Company has been duly forfeited in accordance with these Articles on a date stated in the declaration, shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the shares.

46. *Effecting sale of shares*

Upon any sale after forfeiture or for enforcing a lien in purported exercise of the powers hereinafter given, the Board may appoint some person to execute an instrument of transfer of the shares sold, cause the purchaser's name to be entered in the register in respect of the share sold, and the purchaser shall not be bound to see to the regularity of the proceedings or to the application of the purchase money, and after his name has been entered in the Register in respect of such shares, the validity of the sale shall not be impeached by any person.

47. *Certificate of forfeited shares to be void*

Upon any sale, re-allotment or other disposal under the provisions of the preceding Articles, the certificate or certificates originally issued in respect of the relevant shares shall (unless the same shall on demand by the Company have been previously surrendered to it by the defaulting member) stand cancelled and become null and void and have no effect and the Directors shall be entitled to issue a new certificate or certificates in respect of the said shares to the person or persons entitled thereto.

48. *Board entitled to cancel forfeiture*

The Board may at any time before any share so forfeited shall have them sold, re-allotted or otherwise disposed of, cancel the forfeiture thereof upon such conditions at it thinks fit.

TRANSFER AND TRANSMISSION OF SHARES

49. *Register of Transfers*

The Company shall keep a "Register of Transfers" and therein shall be fairly and distinctly entered particulars of every transfer or transmission of any shares.

50. *Endorsement of Transfer*

In respect of any transfer of shares registered in accordance with the provisions of these Articles, the Board may, at their discretion, direct an endorsement of the transfer and the name of the transferee and other particulars on the existing share certificate and authorize any Director or officer of the Company to authenticate such endorsement on behalf of the Company or direct the issue of a fresh share certificate, in lieu of and in cancellation of the existing certificate in the name of the transferee.

51. *Instrument of Transfer*

The instrument of transfer of any share shall be in writing and all the provisions of Section 108 of the Act, and of any statutory modification thereof for the time being shall be duly complied with in respect of all transfer of shares and registration thereof. The Company shall use a common form of transfer in all cases.

52. *Executive transfer instrument*

Every such instrument of transfer shall be executed both by the transferor and the transferee and the transferor shall be deemed to remain holder of the shares until the name of the transferee is entered in the register of members in respect thereof. The instrument of transfer shall be in respect same class of shares and should be in the form prescribed under the Act.

53. *Closing Register of transfers and of Members*

The Board shall be empowered, on giving not less than seven days notice by advertisement in a newspaper circulating in the district in which the registered office of the Company is situated, to close the transfer books, the register of members, the register of debenture holders at such time or times, and for such period or periods, not exceeding thirty days at a time and not exceeding in the aggregate forty-five days in each year as it may seem expedient.

54. *Directors may refuse to register transfer*

Subject to the provisions of Section 111A of the Act, these Articles and other applicable provisions of the Act or any other law for the time being in force, the Directors may refuse whether in pursuance of any power of the Company under these Articles or otherwise to register the transfer of, or transmission by operation of law of the right to, any shares or interest of a Member in or debentures of the Company. The Company shall within one month from the date on which the instrument of transfer, or the intimation of such transfer, as the case may be, was delivered with the Company, send notice of refusal to the transferee and transferor or to the person giving notice of such transmission, as the case may be, giving reasons for such refusal. Provided that registration of a transfer shall not be refused on the ground of the transferor being either alone or jointly with any other person or persons indebted to the Company on any account whatsoever, except when the Company has a lien on the shares.

55. *Transfer of partly paid shares*

Where in the case of partly paid shares, an application for registration is to be made by the transferor, the Company shall give notice of the application to the transferee in accordance with the provisions of Section 110 of the Act.

56. *Survivor of joint holders recognized*

In case of the death of any one or more persons named in the Register of Members as the joint-holders of any shares, the survivors shall be the only person recognized by the Company as having any title to or interest in such share but nothing therein contained shall be taken to release the estate of a deceased joint-holder from any liability on shares held by him jointly with any other person.

57. *Title to shares of deceased members*

The executors or administrators or holders of a Succession Certificate or the legal representatives of a deceased member (not being one or two joint holders) shall be the only person recognized by the Company as having any title to the shares registered in the name of such member, and the Company shall be bound to recognize such executors or administrators or holders of a Succession Certificate or the legal representatives shall have first obtained Probate holders or Letter of Administration or Succession Certificate as the case may be, from a duly constituted Court in the Union of India., Provided that in any case where the Board in its absolute discretion, thinks fit, the Board may dispense with the production of Probate or Letter of Administration or Succession Certificate, upon such terms as to indemnity or otherwise as the Board in its absolute discretion may think necessary and register the name of any person who claims to be absolutely entitled to the shares standing in the name of a deceased member as a member

58. *Transfers not permitted*

No share shall in any circumstances be transferred to any infant, insolvent or person of unsound mind, except fully paid shares through a legal guardian.

59. *Transmission of shares*

Subject to the provisions of these presents , any person becoming entitled to shares in consequence of the death, lunacy , bankruptcy or insolvency of any members, or by any lawful means other than by a transfer in accordance with these Articles may, with the consent of the Board (which it shall not be under any obligation to give), upon producing such evidence as the Board thinks sufficient, that he sustains the character in respect of which he proposes to act under this Articles, or of his title, either be registering himself as the holder of the shares or elect to have some person nominated by him and approved by the Board, registered as such holder, provided, nevertheless, if such person shall elect to have his nominee registered, he shall testify that election by executing in favor of his nominee an instrument of transfer in accordance with the provision herein contained and until he does so he shall not be freed from any liability in respect of the shares.

60. *Rights on Transmission*

A person entitled to a share by transmission shall, subject to the Directors right to retain such dividends or money as hereinafter provided, be entitled to receive and may give discharge for any dividends or other moneys payable in respect of the share.

61. *Instrument of transfer to be stamped*

Every instrument of transfer shall be presented to the Company duly stamped for registration, accompanied by such evidence as the Board may require to prove the title of the transferor his right to transfer the shares and every registered instrument of transfer shall remain in the custody of the Company until destroyed by order of the Board.

62. *Share Certificates to be surrendered*

Before the registration of a transfer, the certificate or certificates of the share or shares to be transferred must be delivered to the Company along with (save as provided in Section 108) properly stamped and executed instrument of transfer.

63. *No fee on Transfer or Transmission*

No fee shall be charged for registration of transfers, transmission, probate, succession certificate and Letters of administration, Certificate of Death or Marriage, Power of Attorney or similar other documents.

64. *Company not liable to notice of equitable rights*

The Company shall incur no liability or responsibility whatever in consequence of its registering or giving effect to any transfer of shares made or purporting to be made by any apparent legal owner thereof (as shown or appearing in the register of members) to the prejudice of persons having or claiming any equitable rights, title or interest in the said shares, notwithstanding that the Company may have had notice of such equitable rights referred thereto in any books of the Company and the Company shall not be bound by or required to regard or attend to or give effect to any notice which may be given to it of any equitable rights, title or interest or be under any liability whatsoever for refusing or neglecting to do so, though it may have been entered or referred to in some book of the Company but the Company shall nevertheless be at liberty to regard and attend to any such notice and give effect thereto if the board shall so think fit.

65. *Dematerialization Of Securities*

(a) *Definitions*: For the purpose of this Article:

"*Beneficial Owner*" means a person whose name is recorded as such with a depository.

"*Bye-Laws*" means Bye-laws made by a Depository under Section 26 of the Depositories Act, 1996.

"*Depositories Act*" means the Depository Act, 1996, including any statutory modifications or re-enactment for the time being in force.

"*Depository*" means a Company formed and registered under the Act and which has been granted a Certificate of Registration under the Securities and Exchange Board of India Act 1992.

"*Member*" means the duly registered holder from time to time of the shares of the Company and includes every person whose name is entered as beneficial owner in the records of the depository.

"*Participant*" means a person registered as such under Section 12 (1A) of the Securities and Exchange Board of India Act, 1992.
"*Record*" includes the records maintained in form of books or stored in a computer or in such other form as may be determined by the Regulations issued by the Securities and Exchange Board of India in relation to the Depository Act, 1996.

"*Registered Owner*" means a depository whose name is entered as such in the records of the Company.

"*SEBI*" means the Securities and Exchange Board of India

"*Security*" means such security as may be specified by the Securities and Exchange Board of India from time to time.

Words imparting the singular number only includes the plural number and vice versa.

Words imparting persons include corporations.

Words and expressions used and not defined in the Act but defined in the Depositories Act, 1996 shall have the same meaning respectively assigned to them in that Act.

(b) *Company to recognize interest in dematerialized securities under the Depositories Act, 1996*.

Either the Company or the investor may exercise an option to issue, de-link, hold the securities (including shares) with a depository in Electronic form and the certificates in respect thereof shall be dematerialized, in which event the rights and obligations of the parties concerned and matters connected therewith or incidental thereto shall be governed by the provisions of the Depositories Act, 1996 as amended from time to time or any statutory modification(s) thereto or re-enactment thereof.

(c) *Dematerialization/Re-Materialization Of Securities*

Notwithstanding anything to the contrary or inconsistent contained in these Articles, the Company shall be entitled to dematerialize its existing securities, re-materialize its securities held in Depositories and/or offer its fresh securities in the de-materialized form pursuant to the Depositories Act, 1996 and the rules framed there under, if any.

(d) *Option to receive security certificate or hold securities with depository*

Every person subscribing to or holding securities of the Company shall have the option to receive the security certificate or hold securities with a Depository. Where a person opts to hold a security with the Depository, the Company shall intimate such Depository of the details of allotment of the security and on receipt of such information, the Depository shall enter in its record, the name of the allottees as the beneficial owner of that security.

(e) *Securities in electronic form*

All securities held by a Depository shall be dematerialized and held in electronic form. No certificate shall be issued for the securities held by the Depository. Nothing contained in Section 153, 153A, 153B, 187 B, 187 C and 372 of the Act, shall apply to a Depository in respect of the securities held by it on behalf of the beneficial owners.

(f) *Beneficial owner deemed as absolute owner*

Except as ordered by the Court of competent jurisdiction or by law required, the Company shall be entitled to treat the person whose name appears on the register of members as the holders of any share or whose name appears as the beneficial owner of the shares in the records of the Depository as the absolute owner thereof and accordingly shall not be bound to recognize any benami, Trust Equity, equitable contingent, future, partial interest, other claim to or interest in respect of such shares or (except only as by these Articles otherwise expressly provided) any right in respect of a share other than an absolute right thereto in accordance with these Articles, on the part of any other person whether or not it has expressed or implied notice thereof but the Board shall at their sole discretion register any share in the joint names of any two or more persons or the survivor or survivors of them.

(g) *Rights of depositories and beneficial owners*

Notwithstanding anything to the contrary contained in the Act, or these Articles, a Depository shall be deemed to be the registered owner for the purpose of effecting transfer of ownership of security on behalf of the beneficial owner.

Save as otherwise provided above, the Depository is the registered owner of the securities, and shall not have any voting rights or any other rights in respect of the securities held by it.

Every person holding securities of the Company and whose name is entered as a beneficial owner in the records of the Depository shall be deemed to be a member of the Company. The beneficial owner of securities shall be entitled to all the rights and benefits and be subject to all the liabilities in respect of his securities which are held by a Depository

(h) *Register and index of beneficial owners*

The Company shall cause to be kept a Register and Index of members with details of shares and debentures held in materialized and dematerialized forms in any media as may be permitted by law including any form of electronic media.

The Register and Index of beneficial owners maintained by a Depository under the Depositories Act, 1996 shall be deemed to be a Register and Index of members for the purposes of this Act. The Company shall have the power to keep in any state or country outside India a Branch register of Members resident in that State or Country.

(i) *Cancellation of certificates upon surrender by person*

Upon receipt of certificate of securities on surrender by a person who has entered into an agreement with the Depository through a participant, the Company shall cancel such certificates and shall substitute in its record, the name of the depository as the Registered owner in respect of the said securities and shall also inform the Depository accordingly.

(j) *Service of documents*

Notwithstanding anything contained in the Act, or these Articles, to the contrary, where securities are held in a depository, the record of the beneficial ownership may be served by such depository on the Company by means of hard copies or through electronic mode or by delivery of floppies or discs.

(k) *Allotment of securities*

Where the securities are dealt within a Depository, the Company shall intimate the details of allotment of relevant securities to the Depository on allotment of such securities.

(l) *Transfer of securities*

The Company shall keep a Register of Transfers and shall have recorded therein fairly and distinctly, particulars of every transfer or transmission of any share held in material form. Nothing contained in these Articles shall apply to transfer of securities held in depository.

(m) *Distinctive number of securities held in a depository*

The shares in the capital shall be numbered progressively according to their several denominations, provided, however that the provisions relating to progressive numbering

shall not apply to the share of the Company which are in dematerialized form. Except in the manner provided under these Articles, no share shall be sub-divided. Every forfeited or surrendered share be held in material form shall continue to bear the number by which the same was originally distinguished.

(n) *Provisions of articles to apply to shares held in depository*

Except as specifically provided in these Articles, the provisions relating to joint holders of shares, calls, lien on shares, forfeiture of shares and transfer and transmission of shares shall be applicable to shares held in Depository so far as they apply to shares held in physical form subject to the provisions of the Depository Act, 1996.

(o) *Depository to furnish information*

Every Depository shall furnish to the Company information about the transfer of securities in the name of the beneficial owner at such intervals and in such manner as may be specified by laws and the Company in that behalf.

(p) *Option to opt out in respect of any such security*

If a beneficial owner seeks to opt out of a Depository in respect of any security, he shall inform the Depository accordingly. The Depository shall on receipt of such information make appropriate entries in its records and shall inform the Company. The Company shall within 30 (thirty) days of the receipt of intimation from a Depository and on fulfillment of such conditions and on payment of such fees as may be specified by the regulations, issue the certificate of securities to the beneficial owner or the transferee as the case may be.

(q) *Overriding effect of this article*

Provisions of the Articles will have full effect and force not withstanding anything to the contrary or inconsistent contained in any other Articles of these presents.

66. *Nomination Facility*

(a) Every holder of shares, or holder of debentures of the Company may at any time, nominate, in the prescribed manner a person to whom his shares in or debentures of the Company shall rest in the event of his death.

(b) Where the shares in or debentures of the Company or held by more than one person jointly, the joint holders may together nominate in the prescribed manner, a person to whom all the rights in the shares or debentures of the Company shall rest in the event of death of all the joint holders.

(c) Notwithstanding anything contained in any other law for the time being in force or in any disposition, whether testamentary or otherwise in respect of such shares in or debentures of the Company where a nomination made in the prescribed manner purports to confer on any person the right to vest the shares in or debentures of the Company, the nominee shall, on the death of the shareholder or debentures holder of the Company or as the case may be on the death of the joint holders become entitled to all the rights in the shares or debentures of the Company or as the case may be all the joint holders in relation to such shares in or debenture of the Company to the exclusion of all the other persons, unless the nomination is varied or cancelled in the prescribed manner.

(d) Where the nominee is a minor it shall be lawful for the holder of shares or debentures, to make the nomination and to appoint in the prescribed manner any person to become

entitled to shares in or debentures of the Company in the event of his death in the event of minority of the nominee.

Any person who becomes a nominee by virtue of the provisions of Section 109 A upon the production of such evidence as may be required by the Board and subject as hereinafter provided elect either

(i) registered himself as holder of the shares or debentures as the case may be , or

(ii) To make such transfer of the share or debenture as the case may be, as the deceased shareholder or debenture holder, as the case may be could have made.

If the person being a nominee, so becoming entitled, elects to be registered himself as a holder of the share or debenture as the case may be, he shall deliver or send to the Company a notice in writing signed by him stating that he so elects and such notice shall be accompanied with a Death Certificate of the deceased share holder or debenture holder as the case may be.

All the limitations, restrictions and provisions of this Act, relating to the right to transfer and registration of transfer of shares or debentures shall be applicable to any such notice or transfer as aforesaid as if the death of the member had not occurred and the notice or transfer where a transfer is signed by that shareholder or debenture holder, as the case may be.

A person being a nominee, becoming entitled to a share or debenture by reason of the death of the holder shall be entitled to same dividends and other advantages to which he would be entitled if he were the registered holder of the share or debenture, except that he shall not, before being registered a member in respect of his share of debenture, be entitled in respect of it to exercise any right conferred by membership in relation to the meetings of the Company.

Provided that the Board may, at any time, give notice requiring any such person to elect either to be registered himself or to transfer the share or debenture and if the notice is not complied with within 90 days, the Board may thereafter withhold payments of all dividends, bonus, or other monies payable in respect of the share or debenture, until the requirements of the notice have been complied with.

A Depository may in terms of Section 58 A at any time, make a nomination and above provisions shall as far as may be, apply to such nomination..

67. *Buy Back Of Shares*

The Company shall be entitled to purchase its own shares or other securities, subject to such limits, upon such terms and conditions and subject to such approvals as required under Section 77 A and other applicable provisions of the Act, The Securities and Exchange Board of India Act, 1992 and the Securities and Exchange Board of India (Buy Back of Securities) Regulations 1998 and any amendments, modification(s), repromulgation (s) or re- enactment(s) thereof.

68. *Copies of memorandum and articles to be sent to members*

Copies of the Memorandum and Articles of Association of the Company and other documents referred to in Section 39 of the Act shall be sent by the Company to every member at his request within seven days of the request on payment of such sum as may be prescribed.

SHARE WARRANTS

69. *Rights to issue share warrants:*

(a) The Company may issue share warrants subject to, and in accordance with provisions of Section 114 and 115 of the Act .

(b) The Board may, in its discretion, with respect to any share which is fully paid up on application in writing signed by the person registered as holder of the share, and authenticated by such evidence (if any) as the Board may from time to time require as to the identity of the person signing the application, and the amount of the stamp duty on the warrant and such fee as the Board may from time to time require having been paid, issue a warrant.

70. *Rights of warrant holders*:

(a) The bearer of the share warrant may at any time deposit the warrant at the office of the Company, and so long as the warrant remains so deposited, the depositor shall have the same right to signing a requisition, for calling a meeting of the Company, and of attending, and voting and exercising other privileges of a member at any meeting held after the expiry of two clear days from time of the deposit, as if his name were inserted in the Register or Members as the holder of the shares included in the deposited warrant.

(b) Not more than one person shall be recognized as the depositor of the share warrant.

(c) The Company shall, on two days written notice, return the deposited share warrant to the depositor.

71. (a) Subject as herein otherwise expressly provided, no person shall, as bearer of a share warrant, sign a requisition for calling a meeting of the Company, or attend, or vote or exercise any other privileges of a member at a meeting of the Company, or be entitled to receive any notice from the Company.

(b) The bearer of a share warrant shall be entitled in all other respects to the same privileges and advantages as if he were named in the Register of Members as the holder of the shares included in the warrant, and he shall be member of the Company.

72. *Board to make rules*

The Board may, from time to time, make rules as to the terms on which it shall think fit, a new share warrant or coupon may be issued by way of renewal in case of defacement, loss or destruction.

CONVERSION OF SHARES INTO STOCK AND RECONVERSION

73. *Rights to convert shares into stock & vice-versa*

The Company in General Meeting may, by an Ordinary Resolution, convert any fully paid-up shares into stock and when any shares shall have been converted into stock the several holders of such stock, may henceforth transfer their respective interest therein, or any part of such interest in the same manner and subject to the same Regulations as, and subject to which shares from which the stock arise might have been transferred, if no such conversion had taken place. The Company may, by an Ordinary Resolution reconvert any stock into fully paid up shares of any denomination. Provided that the Board may, from time to time, fix the minimum amount of stock transferable, so however such minimum shall not exceed the nominal amount of shares from which the stock arose.

74. *Rights of stock holders*

The holders of stock shall according to the amount of stock held by them have the same rights, privileges and advantages as regards dividends, voting at meetings of the Company and other matters as if they held the shares from which the stock arose; but no such privileges or advantages (except participation in the dividends and profits of the Company and in the assets on winding-up) shall be conferred by an amount of stock which would not, if existing in shares, have conferred those privileges or advantages.

GENERAL MEETINGS

75. *Annual General Meetings*

The Company shall, in addition to any other meetings hold a General Meeting which shall be called as its Annual General Meeting, at the intervals and in accordance with the provisions of the Act.

76. *Extraordinary General Meetings*

The Board may, whenever it thinks fit, convene an Extraordinary General Meeting at such date, time and at such place as it deems fit, subject to such directions if any, given by the Board.

77. *Extraordinary Meetings on requisition*
The Board shall on, the requisition of members convene an Extraordinary General Meeting of the Company in the circumstances and in the manner provided under Section 169 of the Act.

78. *Notice for General Meetings*

All General Meetings shall be convened by giving not less than twenty- one days notice excluding the day on which the notice is served or deemed to be served (i.e. on expiry of 48 hours after the letter containing the same is posted) and the date of the meeting, specifying the place and hour of the meeting and in case of any special business proposed to be transacted, the nature of that business shall be given in the manner mentioned in Section 173 of the Act. Notice shall be given to all the share-holders and to such persons as are under Act and/or these Articles entitled to receive such notice from the Company but any accidental omission to give notice to or non-receipt of the notice by any member shall not invalidate the proceedings of any General Meeting.

79. *Shorter Notice admissible*

With the consent of all the members entitled to vote, at an Annual General Meeting or with the consent of the members holding 95 percent of such part of the paid-up share capital of the Company as gives a right to vote thereat, any general meeting may be convened by giving a shorter notice than twenty one days.

80. *Special and Ordinary Business*

(a) All business shall be deemed special that is transacted at an Extraordinary General Meeting and also that is transacted at an Annual General Meeting with the exception of sanctioning of dividend, the consideration of the accounts, balance sheet and the reports of the Directors and Auditors, the election of Directors in place of those retiring by rotation and the appointment of and the fixing up of the remuneration of the auditors.

(b) In case of special business as aforesaid, an explanatory statement as required under Section 173 of the Act shall be annexed to the notice of the meeting.

81. *Quorum for General Meeting*

Five members or such other number of members as the law for the time being in force prescribes, shall be entitled to be personally present shall be quorum for a General Meeting and no business shall be transacted at any General Meeting unless the requisite quorum is present at the commencement of the meeting.

82. *Time for quorum and adjournment*

If within half an hour from the time appointed for a meeting a quorum is not present, the meeting, if called upon the requisition of members, shall be dissolved and in any other case, it shall stand adjourned to the same day in the next week at the same time and place and if at the adjourned meeting also a quorum is not present within half an hour from the time appointed for the meeting, the members present shall be quorum.

83. *Chairman of General Meeting*

The Chairman, if any, of the Board of Directors shall preside as Chairman at every General Meeting of the Company.

84. *Election of Chairman*

If there is no such Chairman or if at any meeting he is not present within fifteen minutes after the time appointed for holding the meeting or is unwilling to act as Chairman, the members present shall choose another Director as Chairman and if no Director be present or if all the Directors decline to take the chair then the members present shall choose someone of their number to be the Chairman.

85. *Adjournment of Meeting*

The Chairman may, with the consent given in the meeting at which a quorum is present (and shall if so directed by the meeting) adjourn that meeting from time to time and from place to place but no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place. When the meeting is adjourned for thirty days or more, notice of the adjourned meeting shall be given as nearly as may be in the case of an original meeting. Save as aforesaid it shall not be necessary to give any notice of adjournment of the business to be transacted at an adjourned meeting.

86. *Voting at Meeting*

At any General Meeting, a resolution put to the vote at the meeting shall be decided on a show of hands, unless a poll is (before or on the declaration of the result of the show of hands) is demanded in accordance with the provisions of Section 179 of the Act. Unless a poll is so demanded, a declaration by the Chairman that the resolution had, on a show of hands been carried unanimously or by a particular majority or lost and an entry to that effect in the book of the proceedings of the Company shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favor of or against that resolution.

87. *Decision by poll:*

If a poll is duly demanded, it shall be taken in such manner as the Chairman directs and the results of the poll shall be deemed to be the decision of the meeting on the resolution in respect of which the poll was demanded.

88. *Casting vote of Chairman*

In case of equal votes, whether on a show of hands or on a poll, the Chairman of the meeting at which the show of hands takes place or at which the poll is demanded shall be entitled to a second or a casting vote in addition to the vote or votes to which he may be entitled to as a member.

89. *Poll to be immediate*

(a) A poll demanded on the election of Chairman or on a question of adjournment shall be taken forthwith. A poll demanded on any other question shall be taken at such time not later than forty eight hours from the time of demand as the Chairman of the meeting directs.

(b) A demand for a poll shall not prevent the continuance of a Meeting of the transaction of any business other than that on which a poll has been demanded. The demand for a poll may be withdrawn.

90. *Passing resolutions by Postal Ballot*

(a) Notwithstanding any of the provisions of these Articles the Company may, and in the case of resolutions relating to such business as notified under the Companies (Passing of the Resolution by Postal Ballot) Rules, 2001 to be passed by postal ballot, shall get any resolution passed by means of a postal ballot, instead of transacting the business in the general meeting of the Company.

(b) Where the Company decides to pass any resolution by resorting to postal ballot, it shall follow the procedures as prescribed under section 192A of the Act and the Companies (Passing of the Resolution by Postal Ballot) Rules, 2001, as amended from time.

VOTE OF MEMBERS

91. *Voting rights of Members*

(a) On a show of hands every member holding equity shares and present in person shall have one vote.

(b) On a poll, every member holding equity shares therein shall have voting rights in proportion to his shares of the paid up equity share capital.

(c) On a poll, a member having more than one vote, or his proxy or other persons entitled to vote for him need not use all his votes in the same way.

92. *Voting by joint-holders*

In the case of joint-holders the vote of the first named of such joint holders who tender a vote whether in person or by proxy shall be accepted to the exclusion of the votes of other joint holders.

93. *No right to vote unless calls are paid*

No member shall be entitled to vote at any General Meeting unless all calls or other sums presently payable by him have been paid, or in regard to which the Company has lien and has exercised any right of lien.

94. *Proxy*

On a poll, votes may be given either personally or by proxy.

95. *Instrument of proxy*

The instrument appointing a proxy shall be in writing under the hand of appointer or of his attorney duly authorized in writing or if appointed by a Corporation either under its common seal or under the hand of its attorney duly authorized in writing. Any person whether or not he is a member of the Company may be appointed as a proxy.

The instrument appointing a proxy and Power of Attorney or other authority (if any) under which it is signed must be deposited at the registered office of the Company not less than forty eight hours prior to the time fixed for holding the meeting at which the person named in the instrument proposed to vote, or, in case of a poll, not less than twenty four hours before the time appointed for the taking of the poll, and in default the instrument of proxy shall not be treated as valid.

96. The form of proxy shall be two way proxy as given in Schedule IX of the Act enabling the share holder to vote for/against any resolution.

97. *Validity of proxy*

A vote given in accordance with the terms of an instrument of proxy shall be valid, notwithstanding the previous death of or insanity of the principal or the revocation of the proxy or of the authority under which the proxy was executed or the shares in respect of revocation or transfer shall have been received by the Company at its office before the commencement of the meeting or adjourned meeting at which the proxy is used.

98. *Corporate Members*

Any corporation which is a member of the Company may, by resolution of its Board of Director or other governing body, authorize such person as it thinks fit to act as its representative at any meeting of the Company and the said person so authorized shall be entitled to exercise the same powers on behalf of the corporation which he represents as that corporation could have exercised if it were an individual member of the Company.

DIRECTOR

99. *Number of Directors*

Unless otherwise determined by General Meeting, the number of Directors shall not be less than three and not more than twelve, including all kinds of Directors.

100. *Share qualification not necessary*

Any person whether a member of the Company or not may be appointed as Director and no qualification by way of holding shares shall be required of any Director.

101. *Director's power to fill-up casual vacancy*

Any casual vacancy occurring in the Board of Directors may be filled up by the Directors, and the person so appointed shall hold office up to the date, up to which Director in whose place he is appointed would have office if it has not been vacated as aforesaid

102. *Additional Directors*

The Board of Directors shall have power at any time and from time to time to appoint one or more persons as Additional Directors provided that the number of Directors and Additional Directors together shall not exceed the maximum number fixed. An additional Director so appointed shall hold office up to the date of the next Annual general Meeting of the Company and shall be eligible for re-election by the Company at that Meeting.

103. *Alternate Directors*

The Board of Directors may appoint an Alternate Director to act for a Director (hereinafter called the original Director) during the absence of the original Director for a period of not less than 3 months from the state in which the meetings of the Board are ordinarily held. An Alternate Director so appointed shall vacate office if and when the original Director return to the state in which the meetings of the Board are ordinarily held. If the terms of the office of the original Director is determined before he so returns to the state aforesaid any provision for the automatic reappointment of retiring Director in default of another appointment shall apply to the original and not to the Alternate Director.

104. *Remuneration of Directors*

Every Director other than the Managing Director and the Whole-time Director shall be paid a sitting fee not exceeding such sum as may be prescribed by the Act or the Central Government from time to time for each meeting of the Board of Directors or any Committee thereof attended by him and shall be paid in addition thereto all travelling, hotel and other expenses properly incurred by him in attending and returning from the meetings of the Board of Directors or any committee thereof or General Meeting of the Company or in connection with business of the Company to and from any place.

105. *Remuneration for extra services*

If any Director, being willing, shall be called upon to perform extra services or to make any special exertions in going or residing away from the town in which the Registered Office of the Company may be situated for any purposes of the Company or in giving any special attention to the business of the Company or as member of the Board, then subject to the provisions of the Act the Board may remunerate the Director so doing either by a fixed sum, or by a percentage of profits or otherwise and such remuneration, may be either in addition to our in substitution for any other remuneration to which he may be entitled.

106. *Continuing Director may act*

The continuing Directors may act notwithstanding any vacancy in the Board but if the number is reduced below three, the continuing Directors or Director may act for the purpose of increasing the number of Directors to three or for summoning a general meeting of the Company but for no other purpose.

107. *Vacation of office of Director*

The Office of a Director shall be deemed to have been vacated under the circumstances enumerated under Section 283 of the Act.

108. *Equal power to Director:*

Except as otherwise provided in these Articles all the Directors of the Company shall have in all matters equal rights and privileges and be subject to equal obligations and duties in respect of the affairs of the Company.

ROTATION AND RETIREMENT OF DIRECTORS

109. *One-third of Directors to retire every year*

At the Annual General Meeting of the Company to be held in every year, one third of such of the Directors as are liable to retire by rotation for time being, or, if their number is not three or a multiple of three then the number nearest to one third shall retire from office, and they will be

eligible for re-election. Provided nevertheless that the Managing Director or Whole time Director, appointed or the Directors appointed as a Debenture Director and Special Director under Articles hereto shall not retire by rotation under this Article nor shall they be included in calculating the total number of Directors of whom one third shall retire from office under this Article.

110. *Retiring Directors eligible for re-election*

A retiring Director shall be eligible for re-election and the Company, at the Annual General Meeting at which a Director retires in the manner aforesaid may fill up the vacated office by electing a person thereto.

111. *Which Director to retire*

The Directors to retire in every year shall be those who have been longest in office since their last election, but as between persons who became Directors on the same day, those to retire shall (unless they otherwise agree among themselves) be determined by lots.

112. *Retiring Director to remain in office till successors appointed*

Subject to the provisions of the Act, if at any meeting at which an election of Directors ought to take place, the place of the vacating Director(s) is not filled up and the meeting has not expressly resolved not to fill up the vacancy and not to appoint the retiring director, the meeting shall stand adjourned till the same day in the next week at the same time and place or if that day is a public holiday till the next succeeding day which is not a public holiday at the same time and place, and if at the adjourned meeting the place of the returning Director(s) is not filled up and the meeting has also not expressly resolved not to fill up the vacancy, then the retiring Director(s) or such of them as have not had their places filled up shall be deemed to have been reappointed at the adjourned Meeting

113. *Increase or reduction in the number of Directors*

Subject to the provisions of Section 252, 255, 259 of the Act, the Company in General Meeting may by Ordinary Resolution increase or reduce the number of its Directors.

114. *Power to remove Director by ordinary resolution*

Subject to the provisions of the Act, the Company may by an ordinary resolution in General Meeting remove any Director before the expiration of his period of office and may, by an ordinary resolution, appoint another person instead; the person so appointed shall be subject to retirement at the same time as if he had become a Director on the day on which the Director in whose place he is appointed was last elected as Director.

115. *Right of persons other than retiring Directors to stand for Directorship*

A person not being a retiring Director shall be eligible for appointment to the office of a Director at any General Meeting if he or some other member intending to propose him as a Director not less than 14 days before the meeting has left at the office of the Company, a notice in writing under his hand signifying his candidature for the office of the Director or the intention of such member to propose him as a candidate for that office as the case may be, along with the prescribed deposit amount which shall be refunded to such person or as the case may be, to such member if the person succeeds in getting elected as Directors.

116. Subject to the provisions of Section 297, 299, 300, 302 and 314 of the Act , the Directors shall not be disqualified by reason of his or their office as such from contracting with the Company either as vendor, purchaser, lender, agent, broker, lessor or otherwise nor shall any such contract, or arrangement entered into by or on behalf of the Company with such Director or with any

Company or partnership in which he shall be a member or otherwise interested be avoided nor shall any Director so contracting or being such member or so interested be liable to account to the Company for any profit realised by such contract or arrangement by reason only of such Director holding that office or of fiduciary relation thereby established but the nature of the interest must be disclosed by him or them at the meeting of Directors at which the contract or arrangement is determined if the interest then exists or in any other case at the first meeting of the Directors after the acquisition of the interest.

117. *Directors not liable for retirement*

The Company in General Meeting may, when appointing a person as a Director declare that his continued presence on the Board of Directors is of advantage to the Company and that his office as Director shall not be liable to be determined by retirement by rotation for such period until the happening of any event of contingency set out in the said resolution.

118. *Director for subsidiary Company*

Directors of this Company may be or become a Director of any Company promoted by this Company or in which it may be interested as Vendor, Shareholder or otherwise and no such Director shall be accountable for any benefits received as a Director or member of such Company.

119. *Meetings of the Board*

(a) The Board of Directors shall meet at least once in every three calendar months for the dispatch of business, adjourn and otherwise regulate its meetings and proceedings as it thinks fit provided that at least four such meetings shall be held in every year.

(b) The Managing Director may, at any time summon a meeting of the Board and the Managing Director or a Secretary or a person authorized in this behalf on the requisition of Director shall at any time summon a meeting of the Board. Notice in writing of every meeting of the Board shall be given to every Director for the time being in India, and at his usual address in India to every other Director.

120. *Quorum*

The quorum for a meeting of the Board shall be one-third of its total strength (any fraction contained in that one-third being rounded off as one) or two Directors whichever is higher, provided that where at any time the number of interested Directors is equal to or exceeds two-thirds of total strength, the number of remaining Directors, that is to say the number of Directors who are not interested, present at the meeting being not less than two, shall be the quorum during such time, The total strength of the Board shall mean the number of Directors actually holding office as Directors on the date of the resolution or meeting, that is to say, the total strength of Board after deducting therefrom the number of Directors, if any, whose places are vacant at the time. In the absence of quorum, unless decided otherwise by the Board, the meeting of the Board will automatically stand adjourned till the same day next week, at the same time and place, or if that day is a public holiday, till the next succeeding day which is not a public holiday, at the same time and place.

121. *Questions how decided*

(a) Save as otherwise expressly provided in the Act, a meeting of the Board for the time being at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions by or under the Regulations of the Company for the time being vested in or exercisable by the Directors generally and all questions arising at any meeting of the Board shall be decided by a majority of the Board.

(b) In case of an equality of votes, the Chairman shall have second or casting vote in addition to his vote as Director.

122. *Right of continuing Directors when there is no quorum*

The continuing Directors may act notwithstanding any vacancy in the Board but if and so long as their number is reduced below three, the continuing Directors or Director may act for the purpose of increasing the number of Directors to three or of summoning a General Meeting of the Company but for no other purpose.

123. *Election of Chairman of Board*

(A) Mr. Jitendra Virwani is the life time chairman of the Board.

(B) In the absence of Mr. Jitendra Virwani, the Board may elect a Chairman of its meeting

(C) If no such Chairman is elected or at any meeting the Chairman is not present within five minutes after the time appointed for holding the meeting the Directors present may choose one among themselves to be the Chairman of the Meeting.

124. *Delegation of Powers*

(a) The Board may, subject to the provisions of the Act, delegate any of its powers to committees consisting of such members of its body as it thinks fit.

(b) Any committee so formed shall, in the exercise of the power so delegated conform to any regulations that may be imposed on it by the Board.

125. *Election of Chairman of Committee*

(a) If the Chairman of the Board is a member of the Committee, he shall preside over all meetings of the Committee, if the Chairman is not a member thereof, the committee may elect a Chairman of its meeting. If no such Chairman is elected or if at any meeting the Chairman is not present within five minutes after the time appointed for holding the meeting, the members present may choose one among themselves to be the Chairman of the Meeting.

(b) The quorum of a committee may be fixed by the Board of Directors. ..

126. *Questions how determined*

(a) A committee may meet and adjourn as it thinks proper.

(b) Questions arising at any meeting of a committee shall be determined by the sole member of the committee or by a majority of votes as the members present as the case may be and in case of an equality of vote the Chairman shall have a second or casting vote, in addition to his vote as a member of the committee.

127. *Validity of acts done by Board or a Committee*

All acts done by any meeting of the Board, of a committee thereof, or by any person acting as a Director shall notwithstanding that it may be afterwards discovered that there was some defect in the appointment of any one or more of such Directors or of any person acting as aforesaid or that

they or any of them were disqualified be as valid as if even such Director or such person has been duly appointed and was qualified to be a Director.

128. *Resolution by Circulation*

Save as otherwise expressly provided in the Act, a resolution in writing circulated in draft together with the necessary papers, if any, to all the Directors or to all the members of the committee then in India, not being less in number than the quorum fixed of the meeting of the Board or the Committee, as the case may be and to all other Directors or members at their usual address in India and approved by such of the Directors as are then in India or by a majority of such of them as are entitled to vote at the resolution shall be valid and effectual as it had been a resolution duly passed at a meeting of the Board or committee duly convened and held.

129. (a) The Board of Directors may from time to time but with such consent of the Company in General Meeting as may be required under the Act raise any moneys or sums of money for the purpose of the Company provided that the moneys to be borrowed by the Company apart from temporary loans obtained from the Company's bankers in the ordinary course of business shall not, without the sanction of the Company at a General Meeting, exceed the aggregate of the paid up capital of the Company and its free reserves, that is to say, reserves not set apart for any specifies purpose and in particular, but subject to the provisions of Section 292 of the Act, the Board may from time to time at their discretion raise or borrow or secure the payment of any such sum of money for the purpose of the Company, by the issue of debentures, perpetual or otherwise, including debenture convertible into shares of this or any other Company or perpetual annuities and to secure any such money so borrowed, raised or received mortgage, pledge or charge the whole or any part of the property, assets or revenue of the Company present or future, including its uncalled capital by special assignment or otherwise or to transfer or convey the same absolutely or in trust and to give the lenders powers of sale and other powers as may be expedient and to purchase, redeem or pay off any such securities.

Provided that every resolution passed by the Company in General Meeting in relation to the exercise of the power to borrow as stated shall specify the total amount up to which moneys may be borrowed by the Board Directors.

(b) The Directors may by resolution at a meeting of the Board delegate the above power to borrow money otherwise than on debentures to a committee of Directors or the Managing Director, if any, within the limits prescribed.

(c) Subject to provisions of the above sub-clause, the Directors may, from time to time, at their discretion, raise or borrow or secure the repayment of any sum or sums of money for the purposes of the Company, at such time and in such manner and upon such terms and conditions in all respects as they think, fit and in particular, by promissory notes or by receiving deposits and advances with or without security or by the issue of bonds, perpetual or redeemable debentures (both present and future) including its uncalled capital for the time being or by mortgaging or charging or pledging any lands, buildings, goods or other property and securities of the Company, or by such other means as they may seem expedient.

(d) To the extent permitted under the applicable law and subject to compliance with the requirements thereof, the Directors shall be empowered to grant loans to such entities at such terms as they may deem to be appropriate and the same shall be in the interests of the Company.

130. *Assignment of debentures*

Such debentures, debenture-stock, bonds or other securities may be assignable free from any equities between the Company and the person to whom the same may be issued.

131. *Terms of Issue of Debentures*

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, drawings, allotment of shares, attending (but not voting) at the General Meeting, appointment of Directors and otherwise, Debentures with a right of conversion into or allotment of shares shall be issued only with the consent of the Company in a General Meeting by a Special Resolution.

132. *Debenture Directors*

Any Trust Deed for securing debentures or debenture stock may if so arranged provide for the appointment from time to time by the trustee thereof or by the holders of debentures or debenture stock of some person to be a Director of the Company and may empower such trustee or holders of debentures or debenture stock from time to time to remove any Directors so appointed. A Director appointed under this Article is herein referred to as a "Debenture Director" and the Debenture Director means a Director for the time being in office under this Article. A Debenture Director shall not be bound to hold any qualification shares, not be liable to retire by rotation or be removed by the Company. The Trust Deed may contain such ancillary provisions as may be arranged between the Company and the Trustees and all such provision shall have effect notwithstanding any of the other provisions herein contained.

133. *Nominee Directors*

(a) So long as any moneys remain owing by the Company to any All India Financial Institutions, State Financial Corporation or any financial institution owned or controlled by the Central Government or State Government or any Non Banking Financial Company controlled by the Reserve Bank of India or any such Company from whom the Company has borrowed for the purpose of carrying on its objects or each of the above has granted any loans / or subscribes to the Debentures of the Company or so long as any of the aforementioned companies of financial institutions holds or continues to hold debentures /shares in the Company as a result of underwriting or by direct subscription or private placement or so long as any liability of the Company arising out of any guarantee furnished on behalf of the Company remains outstanding, and if the loan or other agreement with such corporation so provides, the corporation shall have a right to appoint from time to time any person or persons as a Director or Directors whole- time or non whole- time (which Director or Director/s is/are hereinafter referred to as "Nominee Directors/s) on the Board of the Company and to remove from such office any person or person so appointed and to appoint any person or persons in his /their place(s).

(b) The Board of Directors of the Company shall have no power to remove from office the Nominee Director/s. At the option of the Corporation such Nominee Director/s shall not be liable to retirement by rotation of Directors. Subject as aforesaid, the Nominee Director/s shall be entitled to the same rights and privileges and be subject to the same obligations as any other Director of the Company.

The Nominee Director/s so appointed shall hold the said office only so long as any moneys remain owing by the Company to the Corporation or so long as they holds or continues to hold Debentures/shares in the Company as result of underwriting or by direct subscription or private placement or the liability of the Company arising out of the Guarantee is outstanding and the Nominee Director/s so appointed in exercise of the said power shall vacate such office immediately on the moneys owing by the Company to the Corporation are paid off or they ceasing to hold Debentures/Shares in the Company or on the satisfaction of the liability of the Company arising out of the guarantee furnished.

(c) The Nominee Director/s appointed under this Article shall be entitled to receive all notices of and attend all General Meetings, Board Meetings and of the Meetings of the Committee of which Nominee Director/s is//are member/s as also the minutes of such Meetings. The Corporation shall also be entitled to receive all such notices and minutes.

(d) The Company shall pay the Nominee Director/s sitting fees and expenses to which the other Directors of the Company are entitled, but if any other fees commission, monies or remuneration in any form is payable to the Directors of the Company the fees, commission, monies and remuneration in relation to such Nominee Director/s shall accrue to the nominee appointer and same shall accordingly be paid by the Company directly to the Corporation.

(e) Provided that the sitting fees, in relation to such Nominee Director/s shall also accrue to the appointer and same shall accordingly be paid by the Company directly to the appointer. .

134. *Register of Charges*

The Directors shall cause a proper register to be kept, in accordance with the Act, of all mortgages and charges specifically affecting the property of the Company and shall duly comply with the requirements of the Act in regard to the registration of mortgages and charges therein specified.

135. *Subsequent assigns of uncalled capital*

Where any uncalled capital of the Company is charged, all persons taking any subsequent charge thereon shall take the same, subject to such prior charges and shall not be entitled to obtain priority over such prior charge.

136. *Charge in favor of Director for Indemnity*

If the Director or any person, shall become personally liable for the payment of any sum primarily due from the Company, the Board may execute or cause to be executed any mortgage, charge or security over or affecting the whole or part of the assets of the Company by way of indemnity to secure the Directors or other persons so becoming liable as aforesaid from any loss in respect of such liability.

137. *Powers to be exercised by Board only by Meeting*

(a) The Board of Directors shall exercise the following powers on behalf of the Company and the said powers shall be exercised only by resolution passed at the meeting of the Board:
   (i) Power to make calls on shareholders in respect of moneys unpaid on their shares;
   (ii) Power to issue debentures;
   (iii) Power to borrow money otherwise than on debentures:
   (iv) Power to invest the funds of the Company;
   (v) Power to make loans.

(b) The Board of Directors may by a meeting delegate to any committee or the Directors or to the Managing Director the powers specified in sub clauses (iii), (iv) and (v) above.

(c) Every resolution delegating the power set out in sub clause (iii) above shall specify the total amount up to which moneys may be borrowed by the said delegate.

(d) Every resolution delegating the power referred to in sub-clause (iv) above shall specify the total amount, up to which the fund may invested and the nature of the investments which may be made by the delegate.

(e) Every resolution delegating the power referred to in sub-clause (v) above shall specify the total amount up to which the loans may be made by the delegate, the purposes for which the loans may be made and the maximum amount of loans which may be made for each such purpose in individual cases.

MANAGING DIRECTOR(S)/ WHOLE-TIME DIRECTOR(S)

138. (a) The Board may from time to time and with such sanction of the Central Government as may be required by the Act, appoint one or more of the Directors to the office of the Managing Director or whole-time Directors.

(b) The Directors may from time to time resolve that there shall be either one or more Managing Directors or Whole time Directors.

(c) In the event of any vacancy arising in the office of a Managing Director or Whole-time Director, the vacancy shall be filled by the Board of Directors subject to the approval of the members.
If a Managing Director or whole time Director ceases to hold office as Director, he shall ipso facto and immediately cease to be Managing Director/whole time Director.
The Managing Director or whole time Director shall not be liable to retirement by rotation as long as he holds office as Managing Director or whole-time Director.

139. *Powers and duties of Managing Director or whole-time Director*

The Managing Director/Whole-time Director shall subject to the supervision, control and direction of the Board and subject to the provisions of the Act, exercise such powers as are exercisable under these presents by the Board of Directors, as they may think fit and confer such power for such time and to be exercised as they may think expedient and they may confer such power either collaterally with or to the exclusion of any such substitution for all or any of the powers of the Board of Directors in that behalf and may from time to time revoke, withdraw, alter or vary all or any such powers. The Managing Directors/ whole time Directors may exercise all the powers entrusted to them by the Board of Directors in accordance with the Board's direction.

140. *Remuneration of Managing Directors/whole time Directors*

Subject to the provisions of the Act and subject to such sanction of Central Government\Financial Institutions as may be required for the purpose, the Managing Directors\whole-time Directors shall receive such remuneration (whether by way of salary commission or participation in profits or partly in one way and partly in another) as the Company in General Meeting may from time to time determine.

141. *Reimbursement of expenses*

The Managing Directors\whole-time Directors shall be entitled to charge and be paid for all actual expenses, if any, which they may incur for or in connection with the business of the Company. They shall be entitled to appoint part time employees in connection with the management of the affairs of the Company and shall be entitled to be paid by the Company any remuneration that they may pay to such part time employees.

142. *Business to be carried on by Managing Directors/ Whole time Directors*

(a) The Managing Directors\whole-time shall have subject to the supervision, control and discretion of the broad, the management of the whole of the business of the Company and of all its affairs and shall exercise all powers and perform all duties in relation to the Management of the affairs and transactions of Company, except such powers and such duties as are required by law or by these presents to be exercised or done by the Company in General Meeting or by Board of Directors and also subject to such conditions or restriction imposed by the Act or by these presents.

(b) Without prejudice to the generally of the foregoing and subject to the supervision and control of the Board of Directors, the business of the Company shall be carried on by the Managing Director/ Whole time Director and he shall have all the powers except those which are by law or by these presents or by any resolution of the Board required to be done by the Company in General Meeting or by the Board.

(c) The Board may, from time to time delegate to the Managing Director or Whole time Director such powers and duties and subject to such limitations and conditions as they may deem fit. The Board may from time to time revoke, withdraw, alter or vary all or any of the powers conferred on the Managing Director or Whole time Director by the Board or by these presents.

COMMON SEAL

143. *Custody of Common Seal*

The Board shall provide for the safe custody of the Common Seal for the Company and they shall have power from time to time to destroy the same and substitute a new seal in lieu thereof; and the Common Seal shall be kept at the Registered Office of the Company and committed to the custody of the Managing Director or the Secretary if there is one.

144. *Seal how affixed*

The seal shall not be affixed to any instrument except by authority of a resolution of the Board or a committee of the Board authorized by it in that behalf, and except in the presence of at least one Director and of the secretary or such other person as the Board may appoint for the purpose. Every deed or other instrument to which the seal is required to be affixed shall, unless the same is executed by a duly constituted attorney for the Company, be signed by that Director and of the secretary or such other person aforesaid in whose presence the seal shall have been affixed provided nevertheless that any instrument bearing the seal of the Company and issued for valuable consideration shall be binding on the Company notwithstanding any irregularity touching the authority issuing the same.

145. *Right to dividend*

(a) The profits of the Company, subject to any special rights, relating thereto created or authorized to be created by these presents and subject to the provisions of the presents as to the Reserve Fund, shall be divisible among the members in proportion to the amount of capital paid up on the shares held by them respectively and the last day of the year of account in respect of which such dividend is declared and in the case of interim dividends on the close of the last day of the period in respect of which such interim dividend is paid.

(b) Where capital is paid in advance of calls, such capital shall not, confer a right to participate in the profits.

146. *Declaration of Dividends*

The Company in General Meeting may declare dividends but no dividend shall exceed the amount recommended by the Board.

147. *Interim Dividends*

The Board may from time to time pay to the members such interim dividends as appear to them to be justified by the profits of the Company.

148. *Dividends to be paid out of profits*

No dividend shall be payable except out of the profits of the year or any other undistributed profits except as provided by Section 205 of the Act.

149. *Reserve Funds*

(a) The Board may, before recommending any dividends, set aside out of the profits of the Company such sums as it thinks proper as a reserve or reserves which shall at the discretion of the Board, be applied for any purpose to which the profits of the Company may be properly applied, including provision for meeting contingencies or for equalising dividends and pending such application, may, at the like discretion either be employed in the business of the Company or be invested in such investments (other than shares of the Company) as the Board may, from time to time think fit.

(b) The Board may also carry forward any profits when it may think prudent not to appropriate to Reserves.

150. *Deduction of arrears*

The Board may deduct from any dividend payable to any members all sums of money, if any, presently payable by him to the Company on account of the calls or otherwise in relation to the shares of the Company.

151. *Adjustment of dividends against calls*

Any General Meeting declaring a dividend may make a call on the members as such amount as the meeting fixed, but so that the call on each member shall not exceed the dividend payable to him and so that the call be made payable at the same time as the dividend and the dividend may, if so arranged between the Company and the members be set off against the call.

152. *Receipt of joint holder*

Any one of two or more joint holders of a share may give effectual receipt for any dividends, or other moneys payable in respect of such shares.

153. *Notice of dividends*

Notice of any dividend that may have been declared shall be given to the persons entitled to share thereto in the manner mentioned in the Act.

154. *Dividends not be bear interest*

No dividends shall bear interest against the Company.

155. *Transfer of shares not to pass prior to dividends*

Subject to the provisions of Section 206 A of the Act, any transfer of shares shall not pass the right to any dividend declared thereon before the registration of the transfer.

156. *Unpaid or Unclaimed Dividend*

(a) Where the Company has declared a dividend but which has not been paid or claimed within 30 days from the date of declaration, the Company shall transfer the total amount of dividend which remains unpaid or unclaimed within the said period of 30 days, to a special account to be opened by the Company in that behalf in any scheduled bank called " Unclaimed Dividend Account".

(b) Any money transferred to the unpaid dividend account of the Company which remains unpaid or unclaimed for a period of seven years from the date of such transfer, shall be transferred by the Company to the Fund known as Investors Education And Protection Fund established under section 205C of the Act.

(c) No unclaimed or unpaid dividend shall be forfeited by the Board.

CAPITALISATION OF PROFITS

157. *Capitalization of Profits*

(a) The Company in General Meeting, may, on recommendation of the Board resolve:

(i) That it is desirable to capitalize any part of the amount for the time being standing to the credit of the Company's reserve accounts or to the credit of the profit and loss account or otherwise available for distribution; and

(ii) That such sum be accordingly set free for distribution in the manner specified in the sub-clause (b) amongst the members who would have been entitled thereto if distributed by way of dividend and in the same proportion.

(b) The sum aforesaid shall not be paid in cash but shall be applied, either in or towards:

(i) Paying up any amounts for the time being unpaid on shares held by such members respectively

(ii) Paying up in full, unissued share of the Company to be allotted and distributed, credited as fully paid up, to and amongst such members in the proportions aforesaid; or

(iii) Partly in the way specified in sub-clause (i) and partly that specified in sub clause (ii).

(c) The Board shall give effect to the resolution passed by the Company in pursuance of this regulation.

(d) A share premium account and a capital redemption reserve account may, only be applied in the paying up of unissued shares to be issued to members of the Company as fully paid bonus shares.

158. *Power of Directors for declaration of bonus issue*

(a) Whenever such a resolution as aforesaid shall have been passed, the Board shall:

(i) make all appropriations and applications of the undivided profits resolved to be capitalized thereby and all allotments and issues of fully paid shares, if any, and

(ii) generally do all acts and things required to give effect thereto.

(b) The Board shall have full power:

(i) to make such provisions, by the issue of fractional certificates or by payments in cash or otherwise as it thinks fit, in the case of shares or debentures becoming distributable in fraction; and also

(ii) to authorize any person, on behalf of all the members entitled thereto, to enter into an agreement with the Company providing for the allotment to such members , credited as fully paid up, of any further shares or debentures to which they may be entitled upon such capitalization or (as the case may require) for the payment of by the Company on their behalf, by the application thereto of their respective proportions of the profits resolved to the capitalized of the amounts or any parts of the amounts remaining unpaid on the shares.

(c) Any agreement made under such authority shall be effective and binding on all such members.

ACCOUNTS

159. *Books of Account to be kept*

(a) The Board of Directors shall cause true accounts to be kept of all sums of money received and expended by the Company and the matters in respect of which such receipts and expenditure takes place, of all sales and purchases of goods by the Company, and of the assets, credits and liabilities of the Company.

(b) If the Company shall have a Branch Office, whether in or outside India, proper books of account relating to the transactions effected at the office shall be kept at that office, and proper summarized returns made up to date at intervals of not more than three months, shall be sent by Branch Office to the Company at its registered office or to such other place in India, as the Board thinks fit where the main books of the Company are kept.

(c) All the aforesaid books shall give a fair and true view of the affairs of the Company or of its Branch Office, as the case may be with respect to the matters aforesaid, and explain its transactions.

160. *Where Books of accounts to be kept*

The Books of Account shall be kept at the Registered Office or at such other place in India as the Directors think fit.

161. *Inspection by Members*

No member (not being a Director) shall have any right of inspecting any account or books or documents of the Company except as conferred by statute.

162. *Boards Report to be attached to Balance Sheet*

(a) Every Balance Sheet laid before the Company in General Meeting shall have attached to it a report by the Board of Directors with respect to the state of the Company's affairs, the amounts if any, which it proposes to carry to any Reserves in such Balance Sheet; and the amount, if any which it recommends to be paid by way of dividend, material changes and commitments, if any, effecting the financial positions of the Company which have

occurred between the end of the financial year of the Company to which the Balance Sheet related and the date of report.

(b) The report shall, so far as it is material for the appreciation of the state of the Company's affairs by its members and will not in the Board's opinion be harmful to the business of the Company or any of its subsidiaries deal with any changes which have occurred during the financial year in the nature of the Company's business, or in the Company's subsidiaries or in nature of the business carried on by them and generally in the classes of business in which the Company has an interest.

(c) The Boards Report shall also include a statement showing the name of every employee of the Company who was in receipt of such sum as remuneration as may be prescribed by the Act or the Central Government from time to time during the year to which the Report pertains.

(d) The Board shall also give the fullest information and explanation it its report in cases falling under the proviso to Section 222 on every reservation, qualification or adverse remark contained in the auditors Report.

(e) The Board shall have the right to charge any person being a Director with a duty of seeing that the provisions of sub-clauses (1) to (3) of this Article are complied with.

AUDIT

163. *Accounts to be audited*

Every Balance Sheet and Profit & Loss Account shall be audited by one or more Auditors to be appointed as hereinafter set out.

(a) The Company at the Annual General Meeting in each year shall appoint an Auditor or Auditors to hold office from the conclusion of that meeting until conclusion of the next Annual General Meeting and every Auditor so appointed shall be intimated of his appointment within seven days.

(b) Where at an Annual General Meeting, no Auditors are appointed, the Central Government may appoint a person to fill the vacancy.

(c) The Company shall within seven days of the Central Government's power under sub clause (c.) becoming exercisable, give notice of that fact to the Government.

(d) The Directors may fill any casual vacancy in the office of an Auditor but while any such vacancy continues, the remaining auditors (if any) may act. Where such a vacancy is caused by the resignation of an Auditor, the vacancy shall only be filled by the Company in General Meeting.

(e) A person, other than a retiring Auditor, shall not be capable of being appointed at an Annual General Meeting unless special notice of a resolution of appointment of that person to the office of Auditor has been given by a member to the Company not less than fourteen days before the meeting in accordance with Sec. 190 and the Company shall send a copy of any such notice to the retiring Auditor and shall give notice thereof to the members in accordance with provisions of Sec. 190 and all the other provision of Section 225 shall apply in the matter. The provisions of this sub-clause shall also apply to a resolution that a retiring auditor shall not be re-appointed.

(f) The persons qualified for appointment as Auditors shall be only those referred to in Section 226 of the Act.

(g) None of the persons mentioned in Sec. 226 of the Act as are not qualified for appointment as auditors shall be appointed as Auditors of the Company.

164. *Audit of Branch Offices*

The Company shall comply with the provisions of the Act in relation to the audit of the accounts of Branch Offices of the Company.

165. *Remuneration of Auditors*

The remuneration of the Auditors shall be fixed by the Board as authorized in General Meeting from time to time.

166. *Service of document on the Company*

A document may be served on the Company or an officer by sending it to the Company or officer at Registered Office of the Company by post under a certificate of posting or by Registered Post, or by leaving it at the Registered Office.

SERVICE OF DOCUMENTS AND NOTICE

167. *How -Document is to be served on members*

(a) A document (which expression for this purpose shall be deemed to have included and include any summons, notice requisition, process order, judgment or any other document in relation to or in winding up of the Company) may be served or sent to the Company on or to any member either personally or by sending it by post to his registered address or (if he has no registered address in India) to the address, if any, within India supplied by him to the Company for the service of notice to him.

(b) All notices shall, with respect to any registered share to which persons are entitled jointly, be given to whichever of such persons is named first in the Register and the notice so given shall be sufficient notice to all the holders of such share.

(c) Where a document is sent by post:

(i) Service thereof shall be deemed to be effected by properly addressing, paying and posting a letter containing the notice provided that where a member has intimated to the Company in advance that documents should be sent to him under a certificate of posting or by registered post without acknowledgement due and has deposited with the Company a sum sufficient to defray expenses of doing so, service of the documents shall not be deemed to be effected unless it is sent in the manner intimated by the member, and

(ii) Unless the contrary is provided, such service shall be deemed to have been effected

(A) In the case of a notice of a meeting, at the expiration of forty-eight hours the letter containing the notice is posted; and

(B) In any other case, at the time at which the letter would be delivered in ordinary course of post.

168. *Members to notify address in India*

Each registered holder of shares from time to time notify in writing to the Company such place in India to be registered as his address and such registered place of address shall for all purposes be deemed to be his place or residence.

169. *Service on members having no registered address*
If a member has no registered address in India, and has not supplied to the Company and address within India, for the giving of the notices to him, a document advertised in a newspaper circulating in the neighborhood of Registered Office of the Company shall be deemed to be duly served to him on the day of which the advertisement appears.

170. *Service on persons acquiring shares on death or insolvency of members*

A document may be served by the Company on the persons entitled to a share in consequence of the death or insolvency of a member by sending it through the post in a prepaid letter addressed to them by name or by the title or representatives of the deceased, assignees of the insolvent by any like description at the address (if any) in India supplied for the purpose by the persons claiming to be so entitled , or (until such an address has been so supplied) by serving the document in any manner in which the same might have been served as if the death or insolvency had not occurred.

171. *Persons entitled to notice of General Meetings*

Subject to the provisions of the Act and these Articles, notice of General Meeting shall be given:

(i) To the members of the Company as provided by these presents

(ii) To the persons entitled to a share in consequence of the death or insolvency of a member.

(iii) To the Auditors for the time being of the Company; in the manner authorized by as in the case of any member or members of the Company.

172. *Notice by advertisement*

Subject to the provisions of the Act any document required to be served or sent by the Company on or to the members, or any of them and not expressly provided for by these presents, shall be deemed to be duly served or sent if advertised in a newspaper circulating in the District in which the Registered Office is situated.

173. *Members bound by document given to previous holders*

Every person, who by the operation of law, transfer or other means whatsoever, shall become entitled to any shares shall be bound by every document in respect of such share which, previously to his name and address being entered in the register, shall have been duly served on or sent to the person from whom he derived his title to such share.

174. Any notice to be given by the Company shall be signed by the Managing Director or by such Director or Officer as the Directors may appoint. The signature to any notice to be given by the Company may be written or printed or lithographed.

AUTHENTICATION OF DOCUMENTS

175. *Authentication of documents and proceedings*

Save as otherwise expressly provided in the Act or these Articles, a document or proceeding requiring authentication by the Company may be signed by a Director, the Managing Director, the Manager, the Secretary or an authorized officer of the Company and need not be under its seal.

WINDING UP

176. *Application of assets*

Subject to the provisions of the Act as to preferential payment the assets of the Company shall, on its winding up, be applied in satisfaction of its liabilities pari passu and, subject to such application shall be distributed among the members according to their rights and interests in the Company.

177. *Division of assets of the Company in specie among members*

If the Company shall be wound up whether voluntarily or otherwise, the liquidators may with sanction of a special resolution divide among the contributories in specie or kind any part of the assets of the Company and any with like sanction vest any part of the assets of the Company in trustees upon such trusts for the benefit of the contributories of any of them, as the liquidators with the like sanction shall think fit, in case any share to be divided as aforesaid involve as liability to calls or otherwise any persons entitled under such division to any of the said shares may within ten days after the passing of the special resolution by notice in writing, direct the liquidators to sell his proportion and pay them the net proceeds, and the liquidators shall, if practicable, act accordingly.

INDEMNITY AND RESPONSIBILITY

178. *Director's and others' right to indemnity*

(a) Subject to the provisions of the Act, the Managing Director and every Director, Manager, Secretary and other Officer or Employee of the Company shall be indemnified by the Company against any liability and it shall be the duty of Directors, out of the funds of the Company to pay, all costs and losses and expenses (including traveling expenses) which any such Director, Officer or Employee may incur or become liable to by reason of any contract entered into or act or deed done by him as such Managing Director, Director, Officer or Employee or in any way in the discharge of his duties.

(b) Subject as aforesaid the Managing Director and every Director, Manager, Secretary or other Officer or Employee of the Company shall be indemnified against any liability incurred by them or in defending any proceeding whether civil or criminal in which judgment is given in their or his favor or in which he is acquitted or discharged or in connection with any application under Sec. 633 of the Act in which relief is given to him by the Court.

179. *Not responsible for acts of others*

(a) Subject to the provisions of Sec. 201 of the Act no Director or other Officer of the Company shall be liable for the acts, receipt, neglects or defaults of any other Director or Officer, or for joining in any receipt or other act for conformity or for any loss or expenses happening to the Company through insufficiency or deficiency of title to any property acquired by order of the Director for or on behalf of the Company, or for the insufficiency or deficiency of any security in or upon which any of the moneys of the Company shall be invested, or for any loss or damage arising from the bankruptcy, insolvency, or tortuous act of any person, Company or Corporation, with whom any moneys, securities or effects shall be entrusted or deposited or for any loss occasioned by any error of judgment or over sight in his part or for any other loss or damage or misfortune whatever which shall happen in the execution of the duties of his office of in relation thereto, unless the same happens through his own willful act or default.

(b) Without prejudice to the generality foregoing it is hereby expressly declared that any filing fee payable or any document required to be filed with Register of Companies in

respect of any act done or required to be done by any Director or other Officer by reason of his holding the said office, shall be paid and borne by the Company.

SECRECY CLAUSE

180. *Secrecy*

No member shall be entitled to inspect the Company's works without the permission of the Managing Director or to require discovery of any information respectively any detail of the Company's trading or any matter which is or may be in the nature of a trade secret, history of trade or secret process which may be related to the conduct of the business of the Company and which in the opinion of the Managing Director it will be inexpedient in the interest of the members of the Company to communicate to the public.

181. *Duties of Officers to observe secrecy*

Every Director, Managing Directors, Manager, Secretary, Auditor, Trustee, Members of Committee, Officer, Servant, Agent, Accountant or other persons employed in the business of the Company shall, if so required by the Director before entering upon his duties, or any time during his term of office, sign a declaration pledging himself to observe secrecy relating to all transactions of the Company and the state of accounts and in matters relating thereto and shall by such declaration pledge himself not to reveal any of such matters which may come to his knowledge in the discharge of his official duties except which are required so to do by the Directors or any meeting or by a Court of Law and except so far as may be necessary in order to comply with any of the provision of these Articles or law.

SECTION IX – OTHER INFORMATION

MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The following Contracts (not being contracts entered into in the ordinary course of business carried on by our Company or entered into more than two years before the date of this Draft Red Herring Prospectus) which are or may be deemed material have been entered or to be entered into by our Company. These Contracts, copies of which have been attached to the copy of this Draft Red Herring Prospectus, delivered to the Registrar of Companies, Bangalore for registration and also the documents for inspection referred to hereunder, may be inspected at the registered office of our Company from 10.00 am to 4.00 pm on Working Days from the date of the Red Herring Prospectus until the Bid/Issue Closing Date.

Material Contracts to the Issue

1. Letters of appointment dated July 12, 2010 to the JGCBRLMs and the BRLMs from our Company appointing them as the JGCBRLMs and the BRLMs, respectively.

2. Issue Agreement dated July 12, 2010 among our Company, the JGCBRLMs and the BRLMs.

3. Registrar Agreement dated June 9, 2010 executed by our Company with the Registrar to the Issue.

4. Letter dated [●] appointing the Monitoring Agency.

5. Escrow Agreement dated [•] among our Company, the JGCBRLMs, the BRLMs, the Escrow Collection Banks and the Registrar to the Issue.

6. Syndicate Agreement dated [•] among our Company, the JGCBRLMs, the BRLMs and the Syndicate Members.

7. Underwriting Agreement dated [•] among our Company, the JGCBRLMs, the BRLMs and the Syndicate Members.

Material Documents

1. Memorandum and Articles of Association of our Company as amended.

2. Certificate of incorporation dated July 30, 1996 and certificates for the subsequent name changes.

3. Shareholders' resolutions dated June 2, 2010 in relation to the Issue and other related matters.

4. Resolution of the Board of Directors dated June 2, 2010 authorising the Issue.

5. Report of the Auditor, B S R and Co., Chartered Accountants, dated June 2, 2010 prepared as per Indian GAAP and mentioned in this Draft Red Herring Prospectus.

6. Report on statement of tax benefits for India, Malaysia and Serbia dated June 2, 2010, July 9, 2010 and July 8, 2010 as contained in the Draft Red Herring Prospectus.

7. Copies of annual reports of our Company for the last five fiscals.

8. Consents of the Auditor, BSR and Co., Chartered Accountants, for inclusion of their report on accounts in the form and context in which they appear in this Draft Red Herring Prospectus.

9. General Powers of Attorney executed by the Directors of our Company in favour of person(s) for signing and making necessary changes to this Draft Red Herring Prospectus and other related documents.

10. Consents of Auditor, Bankers to the Company, the JGCBRLMs, the BRLMs, the Syndicate Members, Registrar to the Issue, Banker to the Issue, Architects, Legal Counsel for Land Summarisation, Bankers to the Company, Domestic Legal Counsel to the Company, Domestic Legal Counsel to the Underwriters, International Legal Counsel to the Underwriters, Directors of the Company, Company Secretary and Compliance Officer, as referred to, in their respective capacities.

11. Certificates dated July 8, 2010 and July 6, 2010 from RSP Design Consultants (India) Pvt Ltd and Team-2 Architects & Consulting Engineers, respectively, in relation to Developable Area, Gross Leasable Area and Gross Saleable Area for real estate development projects.

12. Sale deed dated May 22, 2009 entered into between the Company and Rustam Kothwala and others;

13. April 29, 2005 and rectification deed dated December 17, 2007 entered into between the Company and Cessna Garden Developers Private Limited;

14. Joint development agreement dated April 4, 2005 entered into between the Company and Venkat Reddy and others and supplementary agreement dated June 2, 2010 entered into between the Company and Mahesh Reddy and others;

15. Joint development agreement dated March 7, 2008 and supplementary agreement dated March 7, 2008 entered into between the Company and Sanjay L. Kalro and others;

16. Joint development agreement dated June 30, 2010 entered into between the Company and Saltire Developers Private Limited;

17. Joint development agreement dated March 4, 2005 and supplementary agreement dated June 12, 2008 entered into between the Company and Sufia Bakhi and others;

18. Joint development agreement dated October 28, 2005 and supplementary agreement dated October 28, 2005 entered into between the Company and Y.R. Anil and Kalpana;

19. Deed of assignment dated September 29, 2008 entered into between the Company and Pune Embassy Projects Private Limited and lease deed dated May 23, 2006 entered into between the Company and MIDC;

20. Deed of assignment dated September 24, 2008 entered into between the Company Pune Dynasty Projects Private Limited and lease deed dated May 23, 2006 the Company and MIDC;

21. Lease cum sale agreement dated June 7, 2007 and rectification deed dated April 21, 2008 entered into between Concord India Private Limited and KIADB;

22. Agreement for sale dated October 27, 1994 entered into between Saphire Realtors Private Limited and Southern Paradise Stud and Developers Farms Private Limited;

23. Purchase Agreement dated July 22, 2008 entered into between Embassy TechZones d.o.o. Beograd and Agricultural Cooperative of Inđija; and

24. Sale deed dated September 12, 2007 and Supplementary Deed dated April 15, 2008 entered into between Swire Properties and Dr. PA Ibrahim.

25. Applications dated [●] and [●] for in-principle listing approval to the BSE and the NSE, respectively.

26. In-principle listing approval dated [●] and [●] from the BSE and the NSE respectively.

27. Agreement among NSDL, our Company and the Registrar to the Issue dated April 6, 2010.

28. Agreement among CDSL, our Company and the Registrar to the Issue dated [●].

29. Due diligence certificate dated July 12, 2010 to SEBI from the JGCBRLMs and the BRLMs.

30. SEBI observation letter [●] dated [●] and our Company's in-seriatim reply to the same dated [●].

31. Engagement Letter dated June 18, 2010 between our Company and CRISIL appointing CRISIL as the IPO Grading Agency.

32. IPO Grading report dated [●] by CRISIL.

33. Joint venture agreement between our Company and MKN Holdings Sdn Bhd, Malaysia dated November 7, 2005.

34. Joint venture agreement between Star Dreams, Ritma Mantap, MKN Embassy and MK Embassy Land dated September 16, 2009.

35. Share holding and shareholders agreement among H. B. Jairaj, our Company, Hollister Limited, Mautitius and Nam Estates Private Limited dated May 28, 2010.

36. Joint venture agreement among our Company, Alta Vista and Pune Dynasty Projects Private Limited dated June 13, 2008 and letter agreement between Insight Capital, Alta Vista and Pune Dynasty Projects Private Limited dated June 1, 2010.

37. Joint venture agreement among our Company, Alta Vista and Pune Dynasty Projects Private Limited dated June 13, 2008 and letter agreement between Insight Capital, Alta Vista and Pune Embassy Projects Private Limited dated June 1, 2010.

38. Share holding and shareholders agreement among K.J. George, K.J. Kuruvilla, our Company and DM Estates Private Limited dated April 1, 2008.

39. Shareholders agreement between Jitendra Virwani, Embassy Finvest Private Limited, HDFC Venture Trustee Company Limited and DSRK Holdings Private Limited dated June 30, 2006.

40. Share holding and shareholders agreement between K.J. George, K.J. Kuruvilla, Suja George, our Company and GV Properties Private Limited dated April 1, 2008.

41. Share holding and shareholders agreement between K.J. George, K.J. Kuruvilla, our Company, JV Holding Private Limited and Golf Links Software Park Private Limited dated October 1, 2008.

42. Shareholders' agreement between Reddy Veeranna, R. Suguna, Embassy Finvest Private Limited, DSRK Holdings Private Limited and Manyata Promoters Private Limited dated June 30, 2006.

43. Joint venture agreement between our Company and MKN Holdings Sdn Bhd, Malaysia dated November 7, 2005.

44. Investment agreement between our Company RGE Constructions and Development Private Limited, Worldpart Limited dated June 26, 2007.

45. Share subscription and shareholders agreement between Madan A. Sendhil, M.P. Arumugam, Embassy Projects Private Limited and Span Ventures Private Limited dated July 7, 2007.

46. Share holding and shareholders agreement dated July 8, 2008 between DM Estates Private Limited, Brindavan Beverages Private Limited, our Company and Umbel Properties Private Limited dated July 8, 2008.

47. Share holding and shareholders agreement among Florence Investment Limited, our Company and Concord India Private Limited dated July 2, 2010.

48. Consortium agreement between our Company and Andhra Networks Limited dated December 10, 2004.

49. Partnership deed between our Company, Brindavan Beverages Private Limited, P. Kishinchand (HUF) and Manoharlal J. Wadhwa (HUF) dated March 25, 2004, and re-constitutions thereof.

50. Partnership deed between our Company, Jitendra Virwani, JV Holding Private Limited and Dynasty Stock Holdings Private Limited dated December 15, 2005, and re-constitutions thereof.

51. Partnership deed between M. N. Chittiappa, K.J. George, K.J. Kuruvilla, Jitendra Virwani, K.V. Prasad and N. Ramesh dated October 9, 2006, and re-constitutions thereof.

52. Partnership deed between our Company, Brindavan Beverages Private Limited, P. Kishinchand and Manoharlal J. Wadhwa dated February 15, 2008, and re-constitutions thereof.

53. Deed of partnership between Harmeet Singh and our Company dated September 10, 2004, and re-constitutions thereof.

54. Deed of partnership between T.R. Chandrashekhar Hegde and Ramakrishna Hegde dated November 29, 1988, and re-constitutions thereof.

55. Deed of partnership between Rakesh Darira and Jitendra Virwani dated August 18, 2008.

56. Deed of declaration of trust constituting Dynasty Developers Employees Gratuity Trust dated April 10, 2006.

57. Deed of declaration of trust constituting Embassy Education and Welfare Trust dated July 21, 2006.

58. Non-Compete Undertaking by our Promoters in favour our Company dated July 5, 2010 along with a deed of adherence executed by JV Family Trust dated July 9, 2010.

Any of the contracts or documents mentioned in this Draft Red Herring Prospectus may be amended or modified at any time if so required in the interest of our Company or if required by the other parties, without reference to the shareholders subject to compliance of the provisions contained in the Companies Act and other relevant statutes.

DECLARATION

We, the Directors of the Company, declare that all relevant provisions of the Companies Act, 1956, and the guidelines issued by the GoI or the regulations issued by Securities and Exchange Board of India, applicable, as the case may be, have been complied with and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, 1956, the Securities and Exchange Board of India Act, 1992 or the rules made thereunder or regulations issued, as the case may be, and that all approvals and permissions required to carry on our business have been obtained, are currently valid and have been complied with, and that directly or indirectly we hold or have an interest in the Land Reserves. We further certify that all the statements in this Draft Red Herring Prospectus are true and correct.

Signed by the Directors of our Company

Jitendra Virwani *Managing Director*	
Narpat Singh Choraria *Director*	
K. Y. Gopi Krishnan *Director & CEO*	
P. Vaidyanathan *Independent Director*	
S. Chandra Das *Independent Director*	
Kishore Biyani *Independent Director*	

Badri Krishnaswami
Chief Financial Officer

J. Veerraju
Company Secretary and Compliance Officer

Date: July 12, 2010
Place: Bangalore

ANNEXURE – GRADING RATIONALE FOR IPO GRADING