



GODREJ PROPERTIES LIMITED

We were originally incorporated as Sea Breeze Constructions and Investments Private Limited on February 8, 1985 under the Companies Act, 1956 with the RoC. The name of our Company was changed to Godrej Properties and Investments Private Limited pursuant to a special resolution of the shareholders dated July 2, 1990. In the year 1991, the status of our Company was changed to a deemed public company by deletion of the word "Private" from the name of the Company. Subsequently the status was changed to a public limited company pursuant to a special resolution of the members passed at the extraordinary general meeting on August 1, 2001. Our name was further changed to Godrej Properties Limited pursuant to a special resolution of the members passed at the extraordinary general meeting on November 23, 2004. For details of the change in our name and registered office, please refer to the section titled "General Information" beginning on page 16 of this Prospectus.

Registered and Corporate Office: Godrej Bhavan, 4th Floor, 4A, Home Street, Fort, Mumbai – 400 001
Company Secretary and Compliance Officer: Mr. Shodhan A. Kembhavi
Tel: (91 22) 6651 0200, Fax: (91 22) 2207 2044, Email: secretarial@godrejproperties.com, Website: www.godrejproperties.com

PROMOTERS OF THE COMPANY: GODREJ & BOYCE MANUFACTURING COMPANY LIMITED AND GODREJ INDUSTRIES LIMITED

PUBLIC ISSUE OF 9,429,750 EQUITY SHARES OF RS. 10 EACH OF GODREJ PROPERTIES LIMITED ("GPL" OR THE "COMPANY" OR THE "ISSUER") WHERE 16,97,345 EQUITY SHARES WERE ISSUED FOR CASH AT A PRICE OF RS. 530 PER EQUITY SHARE (INCLUDING A SHARE PREMIUM OF RS.520 PER EQUITY SHARE) AND 77,32,405 EQUITY SHARES WERE ISSUED FOR CASH AT A PRICE OF RS. 490 PER EQUITY SHARE (INCLUDING A SHARE PREMIUM OF RS.480 PER EQUITY SHARE) COLLECTIVELY AGGREGATING TO RS. 468.85 CRORES (THE "ISSUE"). THE ISSUE WILL CONSTITUTE 13.5% OF THE POST ISSUE PAID-UP CAPITAL OF THE COMPANY.*

THE FACE VALUE OF EACH EQUITY SHARE IS Rs. 10. THE FLOOR PRICE IS RS 490 AND THE CAP PRICE WAS RS. 530. THE ISSUE PRICE IS 49 TIMES THE FACE VALUE AT THE LOWER END OF THE PRICE BAND AND 53 TIMES THE FACE VALUE AT THE HIGHER END OF THE PRICE BAND. THE MINIMUM BID LOT IS 13 EQUITY SHARES.

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

In terms of Rule 19(2)(b) of the Securities Contracts Regulations Rules, 1957 ("SCRR"), this being an issue for less than 25% of the post-Issue capital, the Issue is being made through the 100% Book Building Process wherein at least 60% of the Issue shall be allocated on a proportionate basis to Qualified Institutional Buyers ("QIB") Bidders. 5% of the QIB Portion (excluding Anchor Investor Portion) shall be available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the QIB Portion shall be available for allocation on a proportionate basis to all QIB Bidders, including Mutual Funds, subject to valid Bids being received at or above the Issue Price. The Company has allocated 1,697,345 Equity Shares or 30 % of the QIB Portion to Anchor Investors at the Anchor Investor Issue Price on a discretionary basis. Further, not less than 10% of the Issue shall be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 30% of the Issue shall be available for allocation on a proportionate basis to Retail Individual Bidders, subject to valid Bids being received at or above the Issue Price. If at least 60% of the Issue cannot be allotted to QIBs, then the entire application money shall be refunded forthwith. Potential investors may participate in this Issue through an Application Supported by Blocked Amount providing details about the bank account which will be blocked by the Self Certified Syndicate Bank for the same. Only Resident Retail Individual Investors can participate through this process. For details see section entitled "Issue Procedure" on page 370 of this Prospectus.

RISK IN RELATION TO THE FIRST ISSUE

This being the first public issue of Equity Shares of the Company, there has been no formal market for the Equity Shares of the Company. **The face value of the Equity Shares is Rs. 10 per Equity Share. The Floor Price is 49 times of the face value and the Cap Price is 53 times of the face value.** The Issue Price (as determined by the Company in consultation with the GCBRLMs and the BRLMs as stated under the section on "Basis for Issue Price") should not be taken to be indicative of the market price of the Equity Shares after the Equity Shares are listed. No assurance can be given regarding an active and/or sustained trading in the Equity Shares of the Company or regarding the price at which the Equity Shares will be traded after listing.

GENERAL RISKS

Investments in equity and equity-related securities involve a degree of risk and investors should not invest any funds in this Issue unless they can afford to take the risk of losing their investment. Investors are advised to read the Risk Factors carefully before taking an investment decision in this Issue. For taking an investment decision, investors must rely on their own examination of the Company 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 Prospectus. Specific attention of the investors is drawn to the section titled "Risk Factors" beginning on page xv of this Prospectus.

IPO GRADING

This Issue has been graded by ICRA Limited and has been assigned the "IPO Grade 4", indicating above average fundamentals. For details see the section titled "General Information" and "Annexure" beginning on page 16 and 434 respectively of this Prospectus.

ISSUER'S ABSOLUTE RESPONSIBILITY

The Company, having made all reasonable inquiries, accepts responsibility for and confirms that this Prospectus contains all information with regard to the Company and the Issue that is material in the context of the Issue, that the information contained in this 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 Prospectus as a whole, or any of such information or the expression of any opinions or intentions, misleading in any material respect.

LISTING

The Equity Shares offered through this Prospectus are proposed to be listed on NSE and BSE. The Company has received 'in-principle' approval from NSE and BSE for the listing of the Equity Shares pursuant to letters dated November 23, 2009 and October 30, 2009, respectively. For the purposes of the Issue, the Designated Stock Exchange shall be the BSE.

GLOBAL CO-ORDINATORS AND BOOK RUNNING LEAD MANAGERS		BOOK RUNNING LEAD MANAGERS		REGISTRAR TO THE ISSUE
 ICICI Securities Limited ICICI Centre H. T. Parekh Marg Churchgate, Mumbai 400 020 Tel: (91 22) 2288 2460/70 Fax: (91 22) 2282 6580 Email: gpl ipo@icicisecurities.com Website: www.icicisecurities.com Investor Grievance ID: customercare@icicisecurities.com Contact Person: Mr. Sumit Pachisia SEBI Registration No.: INM000011179	 Kotak Mahindra Capital Company Limited 1st Floor, Bakhtawar 229, Nariman Point Mumbai 400 021 Tel: (91 22) 6634 1100 Fax: (91 22) 2283 7517 Email: gpl ipo@kotak.com Website: www.kotak.com Investor Grievance ID: kmccredressal@kotak.com Contact Person: Mr. Chandrakant Bhole SEBI Registration No.: INM000008704	 IDFC – SSKI Limited 803-4 Tulsiani Chambers, 8th Floor, Nariman Point, Mumbai 400 021, India Tel: (91 22) 6638 3333 Fax: (91 22) 2204 0282 Email: gpl ipo@idfcsski.com Website: www.idfcsski.com Investor Grievance ID: complaints@idfcsski.com Contact Person: Mr. Shirish Chikalge SEBI Registration No.: INM000011336	 Nomura Financial Advisory And Securities (India) Private Limited Ceejay House, Level 11, Dr. Annie Besant Road, Worli, Mumbai – 400 018, India. Tel: (91 22) 4037 4037 Fax: (91 22) 4037 4111 Email id: gpl ipo-in@nomura.com Website: http://www.nomura.com/asia/services/capital_raising/equity.shtml Investor Grievance ID: investorgrievances-in@nomura.com Contact Person: Shreyance Shah SEBI registration number: INM000011419	 Karvy Computershare Private Limited Plot No. 17-24, Vittal Rao Nagar Madhapur, Hyderabad – 500 081 Tel: (91 40) 2342 0815 Fax: (91 40) 2343 1551 Email: murahi@karvy.com Website: www.karvy.com Investor Grievance ID: gpl ipo@karvy.com Contact Person: Mr. M. Muralikrishna SEBI Registration No.: INR000000221

BID/ISSUE PROGRAMME

BID/ISSUE OPENED ON	December 9, 2009	BID/ISSUE CLOSED ON	December 11, 2009
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* The Anchor Investor Bid/Issue opened and closed for subscription on December 8, 2009

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Offering Memorandum



GODREJ PROPERTIES LIMITED

(incorporated with limited liability under the laws of the Republic of India)

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

Tel: (91 22) 6651 0200, Fax: (91 22) 2207 2044

Contact Person: Mr. Shodhan A. Kembhavi, Company Secretary and Compliance Officer;

Tel: (91 22) 6651 0200, Fax: (91 22) 2207 2044,

Email: secretarial@godrejproperties.com, Website: www.godrejproperties.com

This Offering Memorandum relates to an issue of 9,429,750 equity shares, face value Rs. 10 each (the “Equity Shares”) of Godrej Properties Limited (the “Company”) for cash at a price of Rs. 490 per Equity Share (the “Issue”). The Equity Shares are being offered through the 100% Book Building Process in India pursuant to the regulations of the Securities and Exchange Board of India (“SEBI”) as described in the attached Prospectus dated December 16, 2009 (the “Prospectus”). If at least 60% of the Issue is not allocated to QIBs (as defined in the attached Prospectus), then the entire subscription monies shall be refunded.

The Issue consists of an offering of Equity Shares to (1) “qualified institutional buyers” (as defined in Rule 144A (“Rule 144A”) under the United States Securities Act of 1933, as amended (the “U.S. Securities Act”)) in the United States in reliance on Rule 144A (the “U.S. Issue”), (2) Indian institutional, non-institutional and retail investors pursuant to a public offering in India in reliance on Regulation S (“Regulation S”) under the U.S. Securities Act (the “Indian Public Issue”), and (3) institutional investors outside of the United States and India in reliance on Regulation S (the “Global Issue”, and together with the U.S. Issue and the Indian Public Issue, the “Issue”).

This Offering Memorandum includes the Prospectus. As used in this document, the term “Offering Memorandum” means these pages for prospective international investors, and the Prospectus. The Offering Memorandum should be read prior to making an investment decision to buy Equity Shares in this Issue.

Prior to the Issue, there has been no public market for the Equity Shares. The Company has received in-principle approvals from the Bombay Stock Exchange Limited (the “BSE”) and the National Stock Exchange of India Limited (the “NSE”, and together with the BSE, the “Stock Exchanges”) on October 30, 2009 and November 23, 2009, respectively, for the listing and quotation of the Equity Shares being offered hereby.

Please read “Risk Factors” beginning on page xv of the attached Prospectus and “Additional Risk Factors for International Investors” beginning on page W-12 of this Offering Memorandum, which describes several factors that you should consider before investing in the Equity Shares.

The Equity Shares have not been and will not be registered under the U.S. Securities Act or any state securities laws in the United States and may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable U.S. state securities laws. Accordingly, the Equity Shares are being offered and sold only (1) in the United States to “qualified institutional buyers” as defined in Rule 144A, and (2) outside the United States in compliance with Regulation S and the applicable laws of the jurisdictions where those offers and sales occur. Prospective purchasers that are “qualified institutional buyers” as defined in Rule 144A are hereby notified that the sellers of Equity Shares may be relying on the exemption from the provisions of Section 5 of the U.S. Securities Act provided by Rule 144A. The Equity Shares are not transferable except in accordance with the restrictions described under “Transfer Restrictions” in this Offering Memorandum. This Issue will also be in compliance with applicable SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 (“SEBI Regulations”).

The date of this Offering Memorandum is December 16, 2009.

GLOBAL CO-ORDINATORS AND BOOK RUNNING LEAD MANAGERS (“GCBRLMs”)



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Fax: (91 22) 2282 6580
Email: gplipo@icicisecurities.com
Website: www.icicisecurities.com
Investor Grievance ID:
customercare@icicisecurities.com
Contact Person: Mr. Sumit Pachisia
SEBI Registration No.: INM000011179



Kotak Mahindra Capital Company Limited
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Mumbai 400 021
Tel: (91 22) 6634 1100
Fax: (91 22) 2283 7517
Email: gplipo@kotak.com
Website: www.kotak.com
Investor Grievance ID:
kmcrcdresal@kotak.com
Contact Person: Mr. Chandrakant Bhole
SEBI Registration No.: INM000008704



IDFC – SSKI Limited
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Mumbai 400 021, India
Tel: (91 22) 6638 3333
Fax: (91 22) 2204 0282
Email: gplipo@idfcsski.com
Website: www.idfcsski.com
Investor Grievance ID:
complaints@idfcsski.com
Contact Person: Mr. Shirish Chikalge
SEBI Registration No.:
INM000011336

BOOK RUNNING LEAD MANAGERS (“BRLMs”)



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Ceejay House, Level 11, Dr. Annie Besant
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Fax: (91 22) 4037 4111
Email id: gplipo-in@nomura.com
Website: http://www.nomura.com/asia/services/capital_raising/equity.shtml
Investor Grievance ID: investorcomplains-in@nomura.com
Contact Person: Shreyance Shah
SEBI registration number: INM000011419

REGISTRAR TO THE ISSUE



Karvy Computershare Private Limited
Plot No. 17-24, Vittal Rao Nagar
Madhapur, Hyderabad – 500 081
Tel: (91 40) 2342 0815
Fax: (91 40) 2343 1551
Email: murali@karvy.com
Website: www.karvy.com
Investor Grievance ID: gplipo@karvy.com
Contact Person: Mr. M. Muralikrishna
SEBI Registration No.: INR000000221

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NOTE TO INVESTORS

The Equity Shares are being offered through the GCBRLMs and the BRLMs and their affiliates. As more fully discussed in the section titled “Plan of Distribution” in this Offering Memorandum, the GCBRLMs, the BRLMs and other members of the Syndicate (together, the “Underwriters”) have agreed, subject to certain conditions, to procure purchasers for, or purchase themselves, that portion of the Issue as specified in the Underwriting Agreement (as defined in the Prospectus). The Company expects that the Equity Shares will be credited to investors’ “dematerialized” (“demat”), or book-entry, accounts maintained with their depository participants in India after its board or committee meeting to approve the final allotment, which is expected to occur on or about December 23, 2009. The crediting of the Equity Shares in book-entry form will be made only after payment for such Equity Shares has been received. The Company, in consultation with the GCBRLMs and the BRLMs, reserves the right not to proceed with the Global Issue in accordance with SEBI Regulations. Provided, if the Company withdraws the Global Issue after the Bid/Issue Closing Date, it will give the reason thereof within two days of the Bid/Issue Closing Date by way of a public notice in the same newspapers where the pre-issue advertisement had appeared. The Stock Exchanges shall also be informed promptly. Notwithstanding the foregoing, the Global Issue is also subject to obtaining (i) the final listing and trading approvals of the Stock Exchanges, which the Company shall apply for after Allotment and (ii) the final RoC approval of the Prospectus after it is filed with the RoC.

In making an investment decision, investors must rely on their own examination of the Company and the terms of this Issue, including the merits and risks involved. The Equity Shares have not been approved, disapproved or recommended by the U.S. Securities and Exchange Commission, any state securities commission in the United States, the Securities and Exchange Board of India or the securities commission of any other jurisdiction or any other regulatory authority. None of these authorities have passed on or endorsed the merits of this Issue or the accuracy or adequacy of this Offering Memorandum. Any representation to the contrary is a criminal offence in the United States and may be a criminal offence in other jurisdictions.

This Offering Memorandum is based on information provided by the Company and on information obtained from other sources. The Underwriters, on behalf of the Company, are delivering this Offering Memorandum on a confidential basis to “qualified institutional buyers” as defined in Rule 144A of the U.S. Securities Act and institutional investors outside of the United States and India solely for their use in deciding whether or not to proceed with a further investigation of the terms of the U.S. Issue and the Global Issue, as the case may be. This Offering Memorandum does not purport to be all-inclusive or to necessarily contain all the information that an investor may desire in investigating the Company, or necessary to make an informed investment decision regarding the U.S. Issue or the Global Issue.

This Offering Memorandum is personal to the offeree to whom it has been delivered and does not constitute an offer to any other person or to the public generally to subscribe for or otherwise acquire the Equity Shares. Receipt and acceptance of this Offering Memorandum shall constitute the agreement of the recipient (1) to maintain the confidentiality of the information contained in this Offering Memorandum and any other information that may be subsequently provided by the Company, the Underwriters or any of their respective representatives, either orally or in writing, (2) that any reproduction or distribution of this Offering Memorandum or of any other information that the Company, the Underwriters or any of their respective representatives may subsequently provide, in whole or in part, or any disclosure of any of the contents hereof or thereof to any other person other than authorized representatives, agents and advisors of the recipient hereof, or any use of such materials for any purpose other than to evaluate participation in the U.S. Issue or the Global Issue, is strictly prohibited, and (3) if such investor determines not to proceed with the investigation of, or participation in, the U.S. Issue or the Global Issue, or if either issue is terminated, to return to the Underwriters, this Offering Memorandum and any other information that the Company, the Underwriters or any of their respective representatives may subsequently provide to the recipient. This Offering Memorandum has been prepared for informational purposes relating to the U.S. Issue and the Global Issue only and upon the express understanding that it and the attached Prospectus will be used only for the purpose set forth above.

None of the Underwriters or any member, employee, counsel, officer, director, representative, agent or affiliate of the Underwriters makes any express or implied representation or warranty as to the accuracy or completeness of the information contained in this Offering Memorandum or made available in connection with any further investigation of the terms of the U.S. Issue or the Global Issue. Each Underwriter expressly disclaims any and all liability that may be based on such information, errors therein or omissions

therefrom. No person is authorized to give any information or to make any representation in connection with the Issue or sale of the Equity Shares other than as contained in the Offering Memorandum and, if given or made, you must not rely on such information as having been authorized by the Company, the Underwriters or any affiliate or representative thereof. Neither the delivery of the Offering Memorandum nor the offer of the Equity Shares shall, under any circumstances, constitute a representation or create any implication that there has been no change in the affairs of the Company since the date of this Offering Memorandum or that any information contained herein is correct at any time subsequent to the date hereof.

The distribution of this Offering Memorandum and the offer and sale of the Equity Shares may be restricted by law in certain jurisdictions. Persons into whose possession the Offering Memorandum or any of the Equity Shares comes must inform themselves about, and observe, any applicable restrictions. For more information, please see “Distribution and Solicitation Restrictions” and “Transfer Restrictions” in this Offering Memorandum.

This Offering Memorandum does not constitute an offer to sell or a solicitation of an offer to buy any of the Equity Shares to any person in any jurisdiction where it is unlawful to make such an offer or solicitation. This Offering Memorandum shall not be distributed or circulated in India.

Investors who Bid in this Issue will be required to confirm and will be deemed to have represented to the Company, the Underwriters and their respective directors, officers, agents, affiliates and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares of the Company and will not offer, sell, pledge or transfer the Equity Shares of the Company to any person who is not eligible under applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares of the Company. The Company, the Underwriters and their respective directors, officers, agents, affiliates and representatives accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire Equity Shares of the Company.

Investors should not construe the contents of the Offering Memorandum as legal, tax or investment advice. Each investor should consult its own counsel, business advisor and tax advisor as to the legal, business, tax and related matters concerning the U.S. Issue or the Global Issue, as the case may be. In addition, neither the Company nor the Underwriters are making any representation to any offeree or purchaser of the Equity Shares regarding the legality of an investment in the Equity Shares by such offeree or purchaser under applicable legal investment or similar laws or regulations.

The Underwriters will not over-allot or otherwise stabilize or maintain the market price of the Equity Shares. As a result, the market price of the Equity Shares may be more susceptible to a decline than if the Underwriters were permitted to take such actions.

As required by Indian regulations, the Company has obtained grading for the Issue from ICRA Limited (“ICRA”). The Issue has received IPO Grade 4. Attention is drawn to the disclaimer appearing in the report of ICRA. An ICRA IPO Grade is a statement of the current opinion of ICRA and is not a statement of appropriateness of the graded security for any of the investors. Such grade is assigned with due care and caution on the basis of analysis of information and clarifications obtained from the Company concerned and also other sources considered reliable by ICRA. However, ICRA makes no representation or warranty, express or implied as to the accuracy, authenticity, timelines, or completeness of such information. An ICRA IPO Grade is not : (a) a comment on the present or future price of the security concerned; (b) a certificate of statutory compliance; and/or (c) a credit rating. Further the ICRA IPO Grade is not a recommendation of any kind including but not limited to recommendation to buy, sell, or deal in the securities of the Company nor can it be considered as authentication of any of the financial statements of the Company and ICRA shall not be liable for any losses incurred by users from any use of the grade in any manner. It is advisable that the professional assistance be taken by any prospective investor in the securities of the Company including in the fields of investment banking, tax or law while making such investment. All services and information provided by ICRA is provided on an “as is” basis, without representations and warranties of any nature.

Under applicable SEBI regulations, associates and affiliates of the Underwriters may Bid for, and purchase, Equity Shares in the Issue, either in the QIB Portion (other than Anchor Investor Portion) or in the Non Institutional Portion, on a *pro rata* basis, subject to the terms described in the attached Prospectus.

In accordance with Reserve Bank of India (“RBI”) regulations, Overseas Corporate Bodies (as defined under the Foreign Exchange Management (Deposit) Regulations, 2000, as amended) are not permitted to participate in the Issue.

This Offering Memorandum contains summaries of certain terms of certain documents and all such summaries are qualified in their entirety by reference to the actual documents.

Notwithstanding anything expressed or implied to the contrary, each investor and prospective investor in the Equity Shares, and each of their employees, representatives and agents, are expressly authorized to disclose to any and all persons, without limitations of any kind, the tax treatment and any facts that may be relevant to the tax structure of the transactions contemplated by this Offering Memorandum and the agreements referred to herein, provided, however, that no investor or prospective investor (and no employee, representative or other agent thereof) shall disclose any other information that is not relevant to understanding the tax treatment and tax structure of such transactions (including the identity of any party and any information that could lead another to determine the identity of any party) or any other information to the extent that such disclosure could reasonably result in a violation of any U.S. federal or state securities law.

To ensure compliance with United States Treasury Department Circular 230, investors are hereby notified that: (i) any discussion of United States federal tax issues in this document is not intended or written by us to be relied upon, and cannot be relied upon by investors, for the purpose of avoiding penalties that may be imposed on investors under the United States Internal Revenue Code of 1986, as amended (the “Code”); (ii) such discussion is written in connection with the promotion or marketing of the transactions or matters addressed herein by the Company and dealers, managers and underwriters; and (iii) investors should seek advice based on their particular circumstances from their own independent tax advisors. Counsel does not intend to be, and is not engaged in the promotion or marketing of the transactions or matters described in this Offering Memorandum and no inference to the contrary shall be implied by reason of the disclosures set forth herein.

The information on the Company’s website or on any website of the Underwriters is not part of this Offering Memorandum.

Capitalized terms used in this Offering Memorandum that are not otherwise defined herein shall have the same meaning ascribed to such terms as in the Prospectus attached hereto.

P-NOTES

Under the SEBI (Foreign Institutional Investors) Regulations, 1995, as amended by the SEBI (Foreign Institutional Investors) (Amendment) Regulations, 2008 (“SEBI Institutional Investors Regulations”), foreign institutional investors registered with SEBI (referred to as “FIIs”) may not issue or deal in derivative instruments (defined under the SEBI Institutional Investors Regulations, as any instrument, by whatever name called, which is issued overseas by a foreign institutional investor against securities held by it that are listed or proposed to be listed on any recognised stock exchange in India, as its underlying, and are referred to herein as “P-Notes”) directly or indirectly, unless (i) such offshore derivative instruments are issued only to persons who are regulated by an appropriate foreign regulatory authority; and (ii) such offshore derivative instruments are issued after compliance with ‘know your client’ norms. P-Notes have not been and are not being offered or sold pursuant to this Offering Memorandum. This Offering Memorandum does not contain and the Offering Memorandum will not contain any information concerning any P-Notes or the issuer(s) of any P-Notes, including, without limitation, any information regarding any risk factors relating thereto.

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

Any P-Notes that may be issued are not securities of the Company and do not constitute any obligations of, claim on, or interests in the Company. The Company has not participated in any offer of P-Notes or in the establishment of the terms of any P-Notes, or in the preparation of any disclosure related to any P-Notes. Any P-Notes that may be offered are issued by, and are solely the obligations of, third parties that are unrelated to the Company. The Company and its affiliates and the Underwriters do not make any recommendations as to any investment in P-Notes and do not accept any responsibility whatsoever in connection with any P-Notes.

Any P-Notes that may be issued are not securities of the Underwriters and do not constitute any obligations of or claim on, the Underwriters. However, affiliates of the Underwriters may issue P-Notes to third parties and earn commissions on such sales.

NOTICE TO INVESTORS IN THE UNITED STATES

The Equity Shares have not been recommended by any U.S. federal or state securities commission or regulatory authority. Furthermore, the foregoing authorities have not confirmed the accuracy or determined the adequacy of this Offering Memorandum. Any representation to the contrary is a criminal offence in the United States.

The Equity Shares have not been and will not be registered under the U.S. Securities Act and, unless so registered, may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act. Accordingly, the Equity Shares are being offered and sold (a) in the United States only to “qualified institutional buyers” (as defined in Rule 144A; such term does not refer to a category of institutional investor defined under applicable Indian regulations and referred to in the Prospectus as “QIBs”) in transactions exempt from the registration requirements of the U.S. Securities Act and (b) outside the United States in compliance with Regulation S and the applicable laws of the jurisdiction where those offers and sales occur.

In the United States, this Offering Memorandum is being furnished on a confidential basis solely for the purpose of enabling a prospective investor to consider subscribing for the particular securities described herein. The information contained in this Offering Memorandum has been provided by the Company and other sources identified herein. Distribution of this Offering Memorandum to any person other than the offeree specified by the Underwriters or their representatives, and those persons, if any, retained to advise such offeree with respect thereto, is unauthorized, and any disclosure of its contents, without prior written consent of the Company, is prohibited. Any reproduction or distribution of this Offering Memorandum in the United States, in whole or in part, and any disclosure of its contents to any other person is prohibited.

NOTICE TO NEW HAMPSHIRE RESIDENTS

NEITHER THE FACT THAT A REGISTRATION STATEMENT OR AN APPLICATION FOR A LICENSE HAS BEEN FILED UNDER CHAPTER 421-B OF THE NEW HAMPSHIRE REVISED STATUTES ANNOTATED 1955, AS AMENDED (“RSA 421-B”) NOR THE FACT THAT A SECURITY IS EFFECTIVELY REGISTERED OR A PERSON IS LICENSED IN THE STATE OF NEW HAMPSHIRE IMPLIES THAT ANY DOCUMENT FILED UNDER RSA 421-B IS TRUE, COMPLETE AND NOT MISLEADING. NEITHER ANY SUCH FACT NOR THE FACT THAT AN EXEMPTION OR EXCEPTION IS AVAILABLE FOR A SECURITY OR TRANSACTION MEANS THAT THE SECRETARY OF STATE OF NEW HAMPSHIRE HAS PASSED IN ANY WAY UPON THE MERITS OR QUALIFICATIONS OF, OR RECOMMENDED OR GIVEN APPROVAL TO, ANY PERSON, SECURITY OR TRANSACTION. IT IS UNLAWFUL TO MAKE, OR CAUSE TO BE MADE, TO ANY PROSPECTIVE PURCHASER, CUSTOMER OR CLIENT ANY REPRESENTATION INCONSISTENT WITH THE PROVISIONS OF THIS PARAGRAPH.

NOTICE TO INVESTORS IN THE EUROPEAN ECONOMIC AREA

This Offering Memorandum has been prepared on the basis that all offers of Equity Shares will be made pursuant to an exemption under the Prospectus Directive, as implemented in Member States of the European Economic Area (“EEA”), from the requirement to produce a prospectus for offers of Equity Shares. The expression “Prospectus Directive” means Directive 2003/71/EC of the European Parliament and Council and includes any relevant implementing measure in each Relevant Member State (as defined below). Accordingly, any person making or intending to make an offer within the EEA of Equity Shares which are the subject of the placement contemplated in this Offering Memorandum should only do so in circumstances in which no obligation arises for the Company or any of the Underwriters to produce a prospectus for such offer. Neither the Company nor the Underwriters have authorized, nor do they authorize, the making of any offer of Equity Shares through any financial intermediary, other than the offers made by the Underwriters which constitute the final placement of Equity Shares contemplated in this Offering Memorandum.

FORWARD-LOOKING STATEMENTS

Certain statements contained in this Offering Memorandum that are not statements of historical fact constitute “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:

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

For further discussion of factors that could cause our actual results to differ, see the sections titled “Risk Factors”, “Our Business” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” in the attached Prospectus and “Additional Risk Factors for International Investors” in this Offering Memorandum.

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. Forward looking statements speak only as of the date of the attached Prospectus. The Company, the Underwriters, or any of their respective affiliates do not 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, we, the GCBRLMs and the BRLMs will ensure that investors in India are informed of material developments until such time as the grant of listing and trading permission by the Stock Exchanges for the Equity Shares.

AVAILABLE INFORMATION

The Company is not subject to the periodic reporting requirements of the U.S. Securities Exchange Act of 1934, as amended (the “U.S. Securities Exchange Act”). In order to permit compliance with Rule 144A under the U.S. Securities Act in connection with resales of the Equity Shares, the Company agrees to furnish upon request of a holder of its Equity Shares, or any prospective purchaser designated by such holder, the information required to be delivered under Rule 144A(d)(4) of the U.S. Securities Act if at the

time of such request the Company is not a reporting company under Section 13 or Section 15(d) of the U.S. Securities Exchange Act, or is not exempt from reporting pursuant to Rule 12g3-2(b) thereunder.

The Company agrees to comply with any undertakings given by it from time to time in connection with the Equity Shares to the Stock Exchanges and, without prejudice to the generality of foregoing, shall furnish to each such Stock Exchange all such information as the rules of such Stock Exchange may require in connection with the listing of the Equity Shares on such Stock Exchanges.

ENFORCEMENT OF CIVIL LIABILITIES

The Company is a limited liability company incorporated under the laws of India. All of the Company's directors and executive officers named in this Offering Memorandum are resident of India. Further, all of the Company's assets and the assets of such persons are also located in India. As a result, it may not be possible or may be difficult for investors to effect service of process upon the Company or such persons outside India or to enforce outside India courts judgments obtained against the Company or such persons in the courts outside India. In addition, it may be difficult to enforce in India a judgment obtained against the Company in the United States courts.

India is not a party to any international treaty in relation to the recognition or enforcement of foreign judgments. Recognition and enforcement of foreign judgments is provided for under Section 13 and Section 44A of the Code of Civil Procedure, 1908, as amended (the "Civil Code").

A judgment of a court in a jurisdiction which is not a reciprocating territory may be enforced in India only by a suit upon the judgment, subject to Section 13 of the Civil Code and not by proceedings in execution. Section 13 of the Civil Code, which is the statutory basis for the recognition of foreign judgments (other than arbitration awards), provides that a foreign judgment shall be conclusive as to any matter thereby directly adjudicated upon except: (i) where it has not been pronounced by a court of competent jurisdiction, (ii) where it has not been given on the merits of the case, (iii) where it appears on the face of the proceedings to be founded on an incorrect view of international law or a refusal to recognize the law of India in cases where such law is applicable, (iv) where the proceedings in which the judgment was obtained were opposed to natural justice, (v) where it has been obtained by fraud, or (vi) where it sustains a claim founded on a breach of any law in force in India.

Section 44A of the Civil Code provides that where a foreign judgment has been rendered by a superior court in any country or territory outside India which the Government of India (the "Government") has by notification declared to be a reciprocating territory, it may be enforced in India by proceedings in execution as if the judgment had been rendered by an appropriate court in India. However, Section 44A of the Civil Code is applicable only to monetary decrees not being in the nature of any amounts payable in respect of taxes or other charges of a like nature or in respect of a fine or other penalty, and does not include arbitration awards. The United Kingdom, Singapore and Hong Kong, among others, have been declared to be reciprocating territories within the meaning of Section 44A of the Civil Code by the Government. The United States has not been declared by the Government to be a reciprocating territory for the purposes of Section 44A of the Civil Code.

The suit must be brought in India within three years from the date of the 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. In addition, it is unlikely that an Indian court would enforce foreign judgments if it considered the amount of damages awarded as excessive or inconsistent with public policy or if the judgments are in breach of or contrary to Indian law and practise. A party seeking to enforce a foreign judgment in India is required to obtain RBI approval to repatriate any amount out of India pursuant to such judgment. In addition, any judgment in a foreign currency would be converted into Indian Rupees on the date of the judgment and not on the date of payment. The Company cannot predict whether a suit brought in an Indian court will be disposed off in a timely manner or be subject to considerable delay.

THE ISSUE

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

Pre and post-Issue Equity Shares

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

Use of Issue Proceeds

See “Objects of the Issue” on page 43 of the Prospectus for information about the use of the Issue Proceeds.

Allocation to all categories, except Anchor Investor Portion, shall be made on a proportionate basis.

- * *Undersubscription, if any, in any categories except the QIB Portion, would be allowed to be met with spill over from any of the other categories, at the sole discretion of the Company, in consultation with the GCBRLMs and the BRLMs and the BSE (the “Designated Stock Exchange”). If at least 60% of the Issue is not allocated to QIBs, the entire subscription monies shall be refunded.*
- ** *Provided that, the Company may, allocate up to 30% of the QIB Portion to Anchor Investors on a discretionary basis in accordance with the SEBI Regulations. One-third of the Anchor Investor Portion shall be reserved for domestic mutual fund, subject to valid Bids being received from domestic mutual funds at or above the price at which allocation being done to Anchor Investors. For details, please see the section titled “Issue Procedure” on page 370 of the Prospectus.*
- [#] *The Company has allocated 1,697,345 Equity Shares or 30% of the QIB Portion to Anchor Investors on a discretionary basis in accordance with SEBI Regulations. For further details, please see “Issue Procedure” on page 692 of the Prospectus.*

ADDITIONAL RISK FACTORS FOR INTERNATIONAL INVESTORS

In addition to the factors set forth under “Risk Factors” in the Prospectus, prospective investors are urged to consider the following additional risk factors prior to purchasing any of the Equity Shares. If any of the following risks actually occur, our business, financial condition, prospects and results of operations could be seriously harmed, the market price of the Equity Shares could decline and investors may lose all or part of their investment in the Equity Shares. Please note that the risk factors described below do not constitute a comprehensive and exhaustive list of all the risk factors that may be associated with investment in an Indian company, but are merely meant to give an indication of the risks that may arise in relation to an investment by a foreign investor in the equity shares of an Indian company.

Risks Related to Investments in Indian Companies

The Company is incorporated in India, and most of its assets and employees are located in India. Consequently, our financial performance and the market price of the Equity Shares will be affected by changes in exchange rates and controls, interest rates, policies of the Government including taxation policies, as well as political, social and economic developments affecting India.

Currency exchange rate fluctuations may affect the value of the Equity Shares.

The exchange rate between the Indian Rupee and other foreign currencies, including the U.S. Dollar, the British Pound, the Euro, the Hong Kong Dollar, the Singapore Dollar and the Japanese Yen has changed substantially in recent years and may fluctuate substantially in the future. Fluctuations in the exchange rates may affect the value of your investment in the Equity Shares. Specifically, if there is a change in the relative value of the Indian Rupee to a foreign currency, each of the following values will also be affected:

- the foreign currency equivalent of the Indian Rupee trading price of the Equity Shares in India;
- the foreign currency equivalent of the proceeds that you would receive upon the sale in India of any of the Equity Shares; and
- the foreign currency equivalent of cash dividends, if any, on the Equity Shares, which will be paid only in Indian Rupees.

You may be unable to convert Indian Rupee proceeds into a foreign currency of your choice or the rate at which any such conversion could occur could fluctuate. In addition, our market valuation could be seriously harmed by the devaluation of the Indian Rupee, if investors in jurisdictions outside India analyze our value based on the relevant foreign currency equivalent of our financial condition and results of operations.

It may not be possible for you to enforce any judgment obtained outside India, including in the United States, against the Company or any of the Company’s affiliates in India, except by way of a suit in India on such judgment.

The Company is incorporated under the laws of India and all of its directors and executive officers reside outside the United States. Furthermore, all of the Company’s assets are located outside the United States. As a result, you may be unable to:

- effect service of process in jurisdictions outside India, including in the United States, upon the Company; or
- enforce in Indian courts, judgments obtained in courts of jurisdictions outside India against the Company, including judgments predicated upon the civil liability provisions of the securities laws of jurisdictions outside India.

India has reciprocal recognition and enforcement of judgments in civil and commercial matters with a limited number of jurisdictions. In order to be enforceable, a judgment from certain specified courts located in a jurisdiction with reciprocity must meet certain requirements of the Civil Code. The United States and

India do not currently have a treaty providing for reciprocal recognition and enforcement of judgments (other than arbitration awards) in civil and commercial matters. Therefore, a final judgment for the payment of money rendered by any federal or state court in a non-reciprocating territory, such as the United States, for civil liability, whether or not predicated solely upon the general securities laws of such non-reciprocating territory, would not be enforceable in India under the Civil Code as a decree of an Indian court.

However, the party in whose favor such final judgment is rendered may bring a new suit in a competent court in India based on a final judgment that has been obtained in the United States within three years of obtaining such final judgment. It is unlikely that an Indian court would award damages on the same basis as a foreign court if an action is brought in India. Moreover, it is unlikely that an Indian court would award damages to the extent awarded in a final judgment rendered outside India if it believed that the amount of damages awarded were excessive or inconsistent with Indian practice. In addition, any person seeking to enforce a foreign judgment in India is required to obtain the prior approval of the RBI to repatriate any amount recovered. For more information, see “Enforcement of Civil Liabilities” in this Offering Memorandum.

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

After completion of this Issue, the Equity Shares will be publicly listed on the Stock Exchanges. The Equity Shares will not be listed on any stock exchange in the United Kingdom, the United States or any other country outside India. There is a difference between the level of regulation and monitoring of the Indian securities markets and the activities of investors, brokers and other participants in those markets, and that of markets in the United Kingdom, the United States and other more developed economies. SEBI is responsible for setting standards for disclosure and other regulatory standards for the Indian securities markets. While SEBI has issued regulations and guidelines on disclosure requirements, insider trading and other matters, there may be less publicly available information about companies listed on Indian securities markets than is regularly made available by public companies in many developed economies. As a result, you may have access to less information about our business, results of operations and financial condition, and those of our competitors that are listed on Indian stock exchanges, on an ongoing basis, than you may in the case of companies subject to the reporting requirements of other countries.

Statistical and financial data in this Offering Memorandum may be incomplete or unreliable.

We have not independently verified data from government and industry publications and other third party sources and therefore cannot assure you that they are complete or reliable. Such data may also be produced on different basis from those used in other countries. Therefore, discussions of matters relating to India, its economy or our industry in this Offering Memorandum are subject to the caveat that the statistical and other data upon which such discussions are based may be incomplete or unreliable.

A third party could be prevented from acquiring control of the Company because of the anti-takeover provisions under Indian law.

Certain provisions under Indian law may discourage a third party from attempting to acquire control of the Company, even if a change in control would result in the purchase of your Equity Shares at a premium to the market price or would otherwise be beneficial to you.

Indian takeover regulations contain certain provisions that may delay, deter or prevent a future takeover or change in control of the Company. Additionally, an acquirer that seeks to acquire any equity shares or voting shares which would reduce the public shareholding in a company to a level below the limits mentioned in the listing agreement entered between the Company and the applicable Stock Exchanges may acquire such equity shares or voting rights only in accordance with the guidelines and regulations relating to delisting of Securities specified by SEBI.

These provisions may discourage or prevent certain types of transactions involving an actual or threatened change in control of the Company. For more information, see “The Securities Market of India – Takeover Code” in this Offering Memorandum.

Significant differences exist between Indian GAAP and other accounting principles with which investors may be more familiar.

Financial statements included in the Prospectus are prepared in conformity with Indian GAAP. Indian GAAP differs in certain significant respects from IFRS, U.S. GAAP and other accounting principles and auditing standards with which prospective investors may be familiar in other countries. We do not provide a reconciliation of our financial statements to IFRS or U.S. GAAP. Furthermore, we have not quantified or identified the impact of the differences between Indian GAAP and IFRS or between Indian GAAP and U.S. GAAP as applied to our financial statements. Also, we do not provide a qualitative summary of differences between Indian GAAP, IFRS and U.S. GAAP. As there are significant differences between Indian GAAP and IFRS and between Indian GAAP and U.S. GAAP, there may be substantial differences in the results of operations, cash flows and financial positions discussed in the Prospectus if the relevant financial statements were prepared in accordance with IFRS or U.S. GAAP instead of Indian GAAP. The significant accounting policies applied in the preparation of our financial statements are as set forth in notes to the audited financial statements included in the Prospectus. Prospective investors are advised to review the accounting policies applied in the preparation of our audited financial statements.

Risks Related to the Equity Shares and the Trading Market

There is no public market for the Equity Shares outside India.

After this Issue, there will be no public market for the Equity Shares in the United States or any country other than India. The Issue Price will be determined by the Company in consultation with the GCBRLMs and the BRLMs and we cannot assure you that the Issue Price will correspond to the price at which the Equity Shares will trade subsequent to this Issue. Our outstanding Equity Shares may be sold in the United States only pursuant to a registration statement under the U.S. Securities Act or an exemption from the registration requirements of the U.S. Securities Act. This may also affect the liquidity of the Equity Shares and restrict your ability to sell them.

There may be a change in the number of Equity Shares initially allocated to QIBs in the Confirmation of Allocation Note ("CAN").

A QIB's allocation of Equity Shares, as set forth in the initial CAN, is subject to approval of the basis of allotment by the Designated Stock Exchange. QIBs may receive another CAN, which may change the number of Equity Shares initially allocated to the QIB. See the disclosure "Notice to QIBs: Allotment Reconciliation and Revised CANs" in the section "Plan of Distribution" in this Offering Memorandum.

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

The Indian economy and its securities markets are influenced by economic developments and volatility in securities markets in other countries. Investors' reactions to developments in one country may have adverse effects on the market price of securities of companies located in other countries, including India. For instance, the economic downturn in the United States and several European countries during a part of 2007, 2008 and 2009 is adversely affecting market prices in the world's securities markets, including Indian securities markets. Negative economic developments, such as rising fiscal or trade deficits, or a default on national debt, in other emerging market countries may affect investor confidence and cause increased volatility in Indian securities markets and indirectly affect the Indian economy in general.

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

Capital gains arising from the sale of our Equity Shares are generally taxable in India. Capital gains arising from the sale of our Equity Shares will be exempt from taxation in India in cases where an exemption is provided under a tax treaty between India and the country of which the seller is a resident. Generally, Indian tax treaties, including those with the United States, do not limit India's ability to impose tax on capital gains. As a result, residents of other countries may be liable for tax in India as well as in their own jurisdictions on gain upon a sale of the Equity Shares. For more information, see "Taxation – Certain Indian Tax Considerations" in this Offering Memorandum and "Statement of Tax Benefits" in the attached Prospectus.

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

Under the Indian Companies Act, 1956, as amended (the “Companies Act”), a public limited company incorporated in India must offer holders of its equity shares pre-emptive rights to subscribe and pay for a proportionate number of equity shares to maintain their existing ownership percentages before the issuance of any new equity shares, unless the pre-emptive rights have been waived by adoption of a special resolution by holders of three-fourths of the equity shares who have voted on the resolution. If U.S. holders of the Equity Shares represent more than 10% of the outstanding Equity Shares, U.S. holders of the Equity Shares may be unable to exercise their pre-emptive rights for additional Equity Shares unless a registration statement under the U.S. Securities Act is effective with respect to the Equity Shares to be issued in connection with the pre-emptive rights or an exemption from the registration requirements of the U.S. Securities Act is available. The Company may elect not to file a registration statement with respect to the Equity Shares issuable pursuant to such pre-emptive rights that are otherwise available by Indian law to the U.S. holders. If the Company decides not to file a registration statement and no exemption is available, the new Equity Shares may be issued to a non-U.S. custodian for the U.S. holders of the Equity Shares, which may sell the new Equity Shares for the benefit of the U.S. holders. The value, if any, such custodian would receive upon the sale of such Equity Shares and the related transaction costs cannot be predicted. To the extent that U.S. holders are unable, either directly or indirectly, to exercise pre-emptive rights granted in respect of the Equity Shares, such investors’ proportionate interests in the Company would be reduced.

The Equity Shares are “restricted securities” within the meaning of Rule 144(a)(3) under the U.S. Securities Act and may not be sold publicly within the United States.

The Equity Shares to be offered and sold in the United States pursuant to an exemption from registration are “restricted securities” within the meaning of Rule 144(a)(3) under the U.S. Securities Act. Restricted securities may not be sold publicly within the United States (although the Equity Shares may be sold to other QIBs pursuant to Rule 144A resales) unless they are registered under the U.S. Securities Act or sold pursuant to Rule 144 or another exemption from registration. Prospective investors are urged to consult with their own legal advisors regarding any contemplated investment in the Equity Shares, including in relation to compliance with applicable resale restrictions.

Your ability to acquire and sell the Equity Shares is restricted by the distribution and transfer restrictions set forth in this Offering Memorandum.

No actions have been taken to permit a public offering of the Equity Shares in any jurisdiction except India. As such, the Equity Shares have not and will not be registered under the U.S. Securities Act, any state securities laws or the law of any jurisdiction other than India. Furthermore, the Equity Shares are subject to restrictions on transferability and resale. You are required to inform yourself about and observe these restrictions. See “Distribution and Solicitation Restrictions” and “Transfer Restrictions” on pages W-31 and W-35 of this Offering Memorandum, respectively. We, our representatives and our agents will not be obligated to recognize any acquisition, transfer or resale of the Equity Shares made other than in compliance with the restrictions set forth in this Offering Memorandum.

Your ability to acquire and sell your Equity Shares is restricted under Indian law.

Indian laws contain restrictions on the acquisition and transfer of Indian securities by persons resident outside of India. The information below has been provided for the benefit of the investors. However, the information below does not purport to be a complete analysis of the restrictions under Indian laws for the acquisition and/or transfer of securities in an Indian company by a person resident outside India. The Company, the Underwriters and their respective directors, officers, agents, associates, affiliates and representatives accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire Equity Shares of the Company.

Under the portfolio investment scheme of the Foreign Exchange Management Act, 1999, as amended (“FEMA”), registered “foreign institutional investors” (as defined in the FEMA regulations), or FIIs, may freely purchase or sell equity shares on the Indian stock exchanges on which the equity shares are listed. Under the portfolio investment scheme, a single FII cannot own more than 10% of the total paid-up equity capital of the Company. In respect of an FII investing on behalf of its SEBI approved sub-accounts, the

investment on behalf of each sub-account cannot exceed 10% of the total paid-up capital of the Company, unless the sub-account is held by foreign corporates or individual persons resident outside India who are foreign citizens, in which case the maximum permissible limit is 5% for each sub-account. Under present Indian regulations, the maximum permissible aggregate FII investment in the Company is restricted to 24% of its total paid-up capital.

Under current Indian foreign investment regulations applicable to the Company, investment by a non-resident, unless made on the stock exchange under the portfolio investment scheme, shall require approval of the Government. Further, approval of the RBI is required for the sale of equity shares by a person not resident in India to a person resident in India, unless the sale is made on a recognized stock exchange in India through a registered broker at the market price, or, in case of an off-market transfer, in terms of the pricing guidelines specified by the RBI. The RBI has granted general permission to persons resident outside India to transfer equity shares held by them to an Indian resident, subject to compliance with certain terms and conditions and reporting requirements. If the equity shares are thinly traded, then certain other pricing guidelines specified by RBI must be followed. Prior to the repatriation of sale proceeds, certain filings must be made with an authorized dealer remitting the proceeds along with certain documents, including an undertaking from the resident buyer in the prescribed form stating that the pricing guidelines have been adhered to and a no objection/tax clearance certificate from the income tax authority or an accountant. There can be no assurance that any required approval from the RBI or any other Indian Government agency can be obtained on any particular terms or at all. Further, the proceeds from any sale of the Equity Shares by a person resident outside India to a person resident in India may be repatriated outside India subject to payment of applicable taxes. For more information, see “Restrictions on Transfers of Equity Shares and Foreign Exchange Remittances from India” in this Offering Memorandum.

No prior regulatory approval is required for the sale of Equity Shares in off-exchange transactions between two persons resident outside India; however, the Government has, pursuant to Press Note 1 (2005 Series) issued on January 12, 2005, specified that prior approval of the Foreign Investment Promotion Board (the “FIPB”) is required in circumstances where the transferee has an existing joint venture or technology transfer or trademark agreement in the same field as the company in which the investment is proposed to be made, unless the existing joint venture or collaboration is defunct or sick or the investment by either of the parties in the existing joint venture is less than 3%. Such prior approval is also not required in certain other circumstances, including in the event the foreign investor is a venture capital fund registered with SEBI. Further, the Government, pursuant to Press Note 3 (2005 Series) issued on March 15, 2005, has clarified that joint ventures, technology transfer and trademark agreements existing on the date of issue of Press Note 1 (2005 Series), that is, January 12, 2005, shall be treated as an “existing” joint venture, technology transfer or trademark agreement for the purposes of Press Note 1 (2005 Series).

This discussion on Indian regulatory approvals does not address any restrictions on transfers applicable to Equity Shares held by individuals who are “non-resident Indians” or “NRIs” (as defined in the FEMA regulations). NRIs should contact their advisors to understand the consequences of an investment in the Equity Shares. This discussion also does not address any restrictions on the acquisition or transfer of any Equity Shares by or to an “Overseas Corporate Body” or “OCB” (as defined under the Foreign Exchange Management (Deposit) Regulations, 2000, as amended). OCBs and persons proposing to transfer any Equity Shares to an OCB should contact their advisors to understand the implications of such restrictions on the acquisition and/or transfer of any Equity Shares by or to an OCB. As stated in the attached Prospectus, OCBs are not permitted to participate in this Issue.

In addition, the SEBI (Venture Capital Funds) Regulations, 1996, as amended, and the SEBI (Foreign Venture Capital Investor) Regulations, 2000, as amended, specify certain restrictions on investments by venture capital funds and foreign venture capital investors registered with SEBI.

If any approval is required, the Company cannot guarantee that such approval will be obtained in a timely manner or at all. Because of possible delays in obtaining the requisite approvals, investors in the Equity Shares may be prevented from realizing gains during periods of price increases or limiting losses during periods of price declines.

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

Terrorist attacks and other acts of violence or war may negatively affect the Indian markets where the Equity Shares will trade and also adversely affect the worldwide financial markets. These acts may also result in a loss of business confidence and adversely affect our business.

In addition, while India and Pakistan have recently been engaged in conciliatory talks, the two countries have had military confrontations in Kashmir. It is possible that future civil unrest as well as other adverse social, economic, political and military events in India, if any, could have a significant adverse impact on international or Indian financial markets or economic conditions or on Government policy. Such incidents could also create a greater perception that investment in Indian companies involves a higher degree of risk and could have an adverse impact on our business and on the market price of the Equity Shares.

Conditions in Indian stock exchanges may affect the price or liquidity of our Equity Shares.

Indian stock exchanges are smaller and more volatile than certain stock markets in more developed economies. Indian stock exchanges have in the past experienced substantial fluctuations in the prices of listed securities. For example, on January 22, 2008, declines in the BSE crossed the 10% circuit breaker limit, leading to suspension of trading for one hour. More recently, on May 18, 2009, gains on both the Stock Exchanges crossed the 15% circuit breaker, which initially lead to the suspension of trading for two hours. Further, upon reopening the Stock Exchanges crossed the 20% circuit breaker, which lead to the suspension of trading for the remainder of the day.

Indian stock exchanges have also experienced problems that have affected the market price and liquidity of the securities of Indian companies. These problems have included misapplication of circuit limits, temporary closure of the stock exchanges to manage extreme market volatility, broker defaults, settlement delays and strikes by brokers. For example, on July 3, 2009, a technical issue relating to the BSE's software erroneously altered intra-day circuit filter levels for over 300 listed securities. In addition, the governing bodies of Indian stock exchanges have from time to time restricted securities from trading, limited price movements and imposed margin requirements. Further, from time to time, there have been disputes between listed companies and Indian stock exchanges and other securities regulatory bodies that, in some cases, have had a negative effect on market sentiment. Similar problems could occur in the future, which could negatively affect the market price and liquidity of our Equity Shares. For more information on the securities market in India, see "The Securities Market of India" in this Offering Memorandum.

The Underwriters will not over-allot or otherwise stabilize the market of our Equity Shares.

The Underwriters will not over-allot or otherwise stabilize the market of our Equity Shares. As a result, the market price of our Equity Shares may be more susceptible to a decline than if the Underwriters were permitted to take such action.

EXCHANGE RATE INFORMATION

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

The following table sets forth, for the periods indicated, information concerning the exchange rates between Rupees and U.S. Dollar based on the RBI reference rate published by the Reserve Bank of India:

<u>Year ended March 31,</u>	<u>End</u>	<u>Average</u>	<u>Maximum</u>	<u>Minimum</u>
2004.....	43.39	45.92	47.46	43.39
2005.....	43.75	44.95	46.46	43.36
2006.....	44.61	44.28	46.33	43.30
2007.....	43.59	45.29	46.95	43.14
2008	39.97	40.24	43.15	39.27
2009.....	50.95	45.91	52.06	39.89
April 1, 2009 up to November 30, 2009	46.81	48.08	50.53	45.91

The following table sets forth the high and low noon buying rate for the Rupee for each of the previous 12 months.

<u>Month</u>	<u>End</u>	<u>Average</u>	<u>Maximum</u>	<u>Minimum</u>
December 2008	48.45	48.64	50.52	47.08
January 2009	49.02	48.83	49.19	48.37
February 2009	50.73	49.22	50.73	48.6
March 2009	50.95	51.23	52.06	50.14
April 2009	50.22	50.06	50.53	49.49
May 2009.....	47.29	48.53	49.83	47.19
June 2009.....	47.87	47.77	48.91	46.84
July 2009	48.16	48.47	49.40	47.79
August 2009	48.88	48.33	48.98	47.54
September 2009.....	48.04	48.43	49.06	47.96
October 2009	46.96	46.72	47.86	45.91
November 2009	46.81	46.57	47.13	46.09

The RBI reference rate on November 30, 2009 was Rs. 46.81 per US\$1.00.

THE SECURITIES MARKET OF INDIA

The Indian Securities Market

India has a long history of organized securities trading. In 1875, the first stock exchange was established in Mumbai.

Stock Exchange Regulation

India's stock exchanges are regulated primarily by SEBI, as well as by the Government acting through the Ministry of Finance, Capital Markets Division, under the Securities Contracts (Regulation) Act 1956, as amended ("SCRA") and the Securities Contracts (Regulation) Rules, 1957, as amended ("SCRR"), which, along with the rules, bye-laws and regulations of the respective stock exchanges, regulate the recognition of stock exchanges, the qualifications for membership thereof and the manner in which contracts are entered into and enforced between members of the stock exchanges.

The SEBI Act under which the SEBI was established by the Government in February 1992, granted powers to SEBI to promote, develop and regulate the Indian securities markets, including stock exchanges and other financial intermediaries in the capital markets, to protect the interests of investors, to promote and monitor self-regulatory organizations, to prohibit fraudulent and unfair trade practices and insider trading and to regulate substantial acquisitions of shares and takeovers of companies. SEBI has also issued guidelines and regulations concerning minimum disclosure requirements by public companies, rules and regulations concerning investor protection, insider trading, substantial acquisition of shares and takeovers of companies, buyback of securities, delisting of securities, employee stock option schemes, stockbrokers, merchant bankers, underwriters, mutual funds, Foreign Institutional Investors ("FIIs"), credit rating agencies and other capital market participants.

The Companies Act, as amended, has empowered SEBI to administer certain provisions of the Companies Act in so far as they relate to the issue and transfer of securities and non payment of dividends by listed public companies as well as companies intending to list their securities on any recognized stock exchange in India, and to conduct inspection of a company's records in respect of matters relating to the issue and transfer of securities. The power to prosecute defaulting companies in compliance with the said matter has also been vested with SEBI. The Companies Bill, 2008 was introduced before the Lok Sabha on October 23, 2008 to modernize the structure of corporate regulation in India. Due to dissolution of the 14th Lok Sabha, the Companies Bill, 2008 lapsed. The Government decided to re-introduce the Companies Bill, 2008 as the Companies Bill, 2009, without any change on August 3, 2009 and is currently pending approval.

SEBI has also set up a committee for the review of Indian securities laws, which has proposed a draft Securities Bill. The draft Securities Bill, if enacted in its present form may result in a substantial revision in the laws relating to securities transactions in India.

Listing

The listing of securities on recognized stock exchanges in India is regulated by the Companies Act, the SCRA, the SCRR, the SEBI Act and various guidelines issued by SEBI and the listing agreements executed between listed companies and stock exchanges ("Listing Agreements"). Under the SCRR, the governing body of each stock exchange is empowered to suspend trading of or dealing in a listed security for breach by a listed company of its obligations under such agreement or for any other reason, subject to such company receiving prior notice of such intent of the stock exchange and upon granting of a hearing in the matter. In the event that a suspension of a company's securities continues for a period in excess of three months, the company may appeal to the Securities Appellate Tribunal ("SAT") established under the SEBI Act to set aside the suspension. SEBI has the power to veto a stock exchange decisions in this regard. SEBI also has the power to amend such Listing Agreements and the by-laws of the stock exchanges in India.

Clause 49 of the Listing Agreement provides that if a non-executive chairman of a listed company is a promoter or is related to promoters of the company or persons occupying management positions at the board level or at one level below the board, at least one-half of the board of the company should consist of independent directors.

In addition to the market-wide index-based circuit breakers, there are currently in place varying individual scrip-wise price bands. However, no price bands are applicable on scrips on which derivative products are available or scrips included in indices on which derivative products are available.

The stock exchanges in India can also exercise the power to suspend trading during periods of market volatility. Margin requirements are imposed by stock exchanges that are required to be paid by the stockbrokers.

Delisting of Securities

SEBI has recently, pursuant to a notification dated June 10, 2009, notified the SEBI (Delisting of Equity Shares) Regulations, 2009 (“Delisting Regulations”).

The Delisting Regulations are applicable to: (i) voluntary delisting of securities by promoters of a company; (ii) any acquisition of shares of a company (either by a promoter or by any other person) or a scheme or arrangement, consequent to which the public shareholding in such company falls below the minimum limits specified in the listing conditions or listing agreement that may result in delisting of securities; (iii) promoters of companies who voluntarily seek to delist their securities from some or all stock exchanges on which the security is listed; (iv) cases where a person in control of the management is seeking to consolidate his holdings in a company in a manner that would result in the public shareholding in the company falling below the limit specified in the listing conditions or in the listing agreement that may have the effect of company being delisted; and (v) companies which may be compulsorily delisted by the stock exchanges on account of, among other things, violation of stock exchange by-laws. Following a compulsory delisting, a company, its whole time directors, its promoters and the firms promoted by any of them cannot directly or indirectly access the securities market or seek listing of any equity shares for a period of 10 years from the date of such delisting.

No company can apply for permission to delist: (i) pursuant to a buy back of equity shares or preferential allotment made by a company or (ii) unless a period of three years has elapsed since the listing of that class of equity shares on any recognized stock exchange. Furthermore, if any instruments issued by the company which are convertible into the same class of equity shares that are sought to be delisted, are outstanding, delisting is disallowed.

The Delisting Regulations allow a company to delist its equity shares from all or only recognized stock exchanges on which they are listed, provided an exit opportunity is given to shareholders. However they provide that an exit opportunity need not be given to the shareholders in cases where the securities continue to be listed on a stock exchange having nationwide trading terminals. Presently, only the BSE and the NSE have nationwide trading terminals. When an exit option is required, the Delisting Regulations require a promoter or an acquirer intending to delist securities of a company is required to obtain the prior approval of the shareholders by a special resolution, provided that the special resolution shall be acted upon, only if the votes cast by the public shareholders in favour of the proposal amount to at least twice the number of votes cast by the public shareholders against it, make a public announcement in the manner provided for in the Delisting Regulations and make in principle application to and obtain final approval of the stock exchanges within one year of the passing of the shareholders resolution for delisting. A proposed delisting where no exit option is required to be given, does not require a shareholders resolution and a resolution of the board of directors is sufficient.

The floor price for delisting will be determined by calculating the average of the weekly high and low of the closing prices during the last twenty six weeks or two weeks preceding the date on which the recognized stock exchange were notified. The offer must fulfill the criteria prescribed in the Delisting Regulations to be successful. Upon closure of open offer process, all shareholders whose equity shares are verified will be paid the final price stated in the public announcement within ten working days.

Further, the Ministry of Finance has, on June 10, 2009, proposed certain amendments to the Securities Contracts (Regulation) Rules, 1957 (“MoF Notification”) in relation to voluntary and compulsory delisting, to bring them in line with the Delisting Regulations. The MoF Notification shall become effective from the date that it is published in the Official Gazette. Due to their recent issuance, the applicability of the Delisting Regulations and MoF Notification have not been tested in any manner and hence it is possible that some of the clauses may be amended to make either the Delisting Regulations or the MoF Notification

more effective or clarify any ambiguities contained therein. Investors are also requested to consult their advisors before taking any steps under the Delisting Regulations.

Qualified Institutional Placement under the SEBI Regulations

In order to make Indian markets more competitive and efficient, an additional mode for listed companies to raise funds from the domestic market in the form of “Qualified Institutions Placement” (“QIP”) was introduced. Eligible companies are those companies whose equity shares are listed on a stock exchange having nation wide trading terminals and which comply with the prescribed shareholding requirements under the listing agreement. The securities will be offered and placed with Qualified Institutional Buyers (“QIBs”) as defined in the SEBI Regulations.

Minimum Level of Public Shareholding

In order to ensure availability of floating stock of listed companies, SEBI has notified amendments to the Listing Agreement. All listed companies are required to ensure that their minimum level of public shareholding remains at or above 25%. This requirement does not apply (A) to those companies who at the time of their initial listing had offered at least 10% of the issue size to the public pursuant to Rule 19(2)(b) of the SCRR, and which fulfill the following conditions (i) a minimum of 2,000,000 securities were offered to the public, (ii) the size of the issue was at least Rs.1,000 million, and (iii) the issue was made only through book building method with allocation of at least 60% of the Issue to qualified institutional buyers as specified by SEBI or (B) to those companies that have reached a size of 20,000,000 or more in terms of the number of listed shares and Rs.10,000 million or more in terms of market capitalisation. However, such listed companies are required to maintain the minimum level of public shareholding at 10% of the total number of issued ordinary shares of a class or kind for the purposes of listing. Failure to comply with this clause in the Listing Agreement requires the listed company to delist its shares pursuant to the terms of the SEBI Delisting Regulations and may result in penal action being taken against the listed company pursuant to the Securities and Exchange Board of India Act, 1992.

Disclosures under the Companies Act and Securities Regulations

Under the Companies Act, a public offering of securities in India must be made by means of a prospectus, which must contain information specified in the Companies Act and the SEBI Regulations. The prospectus must be filed with the Registrar of Companies having jurisdiction over the place where a company's registered office is situated, which in our case is currently the Registrar of Companies located in Mumbai, Maharashtra. A company's directors and promoters shall be subject to civil and criminal liability for misrepresentation in a prospectus. The Companies Act also sets forth procedures for the acceptance of subscriptions and the allotment of securities among subscribers and establishes maximum commission rates for the sale of securities. Pursuant to the provisions of the SEBI Act, the SEBI has issued detailed guidelines concerning disclosures by public companies and to further investor protection. Prior to the repeal of certain rules in mid-1992, the Controller of Capital Issues of the Government regulated the prices at which companies could issue securities. The SEBI Regulations now permit companies to price their domestic issues of securities freely. The SEBI Regulations permit companies to freely price their issues of securities. All companies, including public limited companies, are required under the Companies Act to prepare, file with the Registrar of Companies and circulate to their shareholders audited annual accounts, which comply with the disclosure requirements of the Companies Act and regulations governing their manner of presentation, which include sections pertaining to corporate governance and the management's discussion and analysis. In addition, a listed company is subject to continuing disclosure requirements pursuant to the terms of its listing agreement with the relevant stock exchange, including the requirement to publish un-audited financial statements on a quarterly basis, and is required to inform stock exchanges immediately regarding any stock price-sensitive information.

The Companies Act further requires mandatory compliance with accounting standards issued by the Institute of Chartered Accountants of India and SEBI have implemented changes which require Indian companies to account for deferred taxation, to consolidate their accounts with subsidiaries, to provide segment reporting, to increase their disclosure of related party transactions from April 1, 2001 and to account for investments in associated companies and joint ventures in consolidated accounts and interim financial reporting from April 1, 2002.

As of April 1, 2003, accounting of intangible assets is also regulated by accounting standards set by the ICAI and as of April 1, 2004 accounting standards set by the ICAI will regulate accounting for impairment of assets. The ICAI has recently announced that all listed companies and public interest entities have to comply with International Financial Reporting Standards from April 1, 2011.

Indian Stock Exchanges

There are currently more than 20 stock exchanges in India. Most of the stock exchanges have their own governing board for self-regulation. A number of these exchanges have been directed by SEBI to file schemes for demutualization as a measure of moving towards greater investor protection.

The BSE and NSE together hold a dominant position among the stock exchanges in terms of the number of listed companies, market capitalization and trading activity.

In order to contain the risk arising out of the transactions entered into by the members of various stock exchanges either on their own account or on behalf of their clients, the stock exchanges have designed risk management procedures, which include compulsory prescribed margins on the individual broker members, based on their outstanding exposure in the market, as well as stock-specific margins from the members.

To restrict abnormal price volatility, SEBI has instructed stock exchanges to apply the following price bands calculated at the previous day's closing price (there are no restrictions on price movements of index stocks):

Market Wide Circuit Breakers: In order to restrict abnormal price volatility, SEBI has instructed stock exchanges to apply daily circuit breakers, which do not allow transactions beyond certain price volatility. An index based market-wide (equity and equity derivatives) circuit breaker system has been implemented and the circuit breakers are applied to the market for movement by 10%, 15% and 20% for two prescribed market indices: the BSE Sensex for the BSE and the Nifty for the NSE, or the NSE Nifty, whichever is breached earlier. If any of these circuit breaker thresholds are reached, trading in all equity and equity derivatives markets nationwide is halted.

Price Bands: Price bands are circuit filters of 20% movements either up or down in any particular stock, and are applied to most securities traded in the markets, excluding securities included in the BSE Sensex and the NSE Nifty and derivatives products. In addition to the market-wide index based circuit breakers, there are currently in place varying individual scrip wise bands (except for scrips on which derivative products are available or scrips included in indices on which derivative products are available) of 20% either ways for all other scrips.

BSE

The BSE is one of the stock exchanges in India on which our Equity Shares are proposed to be listed. Established in 1875, it is the first stock exchange in India to have obtained permanent recognition in 1956 from the Government of India under the SCRA and has evolved over the years into its present status as the largest stock exchange in India. Pursuant to the BSE (Corporatisation and Demutualization) Scheme 2005 of SEBI, with effect from August 20, 2005, the BSE has been incorporated and is now a company under the Companies Act. The BSE switched over from an open outcry trading system to an online trading network in May 1995 and has today expanded this network to over 359 cities in India. As of May 31, 2009, the BSE had 1,008 members, comprising 175 individual members, 810 Indian companies and 23 FIIs. Only a member of the BSE has the right to trade in the stocks listed on the BSE. As of May 31, 2009, there were 7,729 listed companies trading on the BSE and the estimated market capitalization of stocks trading on the BSE was Rs. 48,650.46 billion. In May 31, 2009, the average daily turnover on the BSE was Rs. 64.27 billion. As of May 31, 2009, the BSE had 15,376 trader work stations spread over 346 cities.

Derivatives trading commenced on the BSE in 2000. The BSE has also wholesale and retail debt trading segments. Retail trading in government securities commenced on the BSE in January 2003. The following two indices are generally used in tracking the aggregate price movements on the BSE. The BSE Sensitive Index, or Sensex, consists of listed shares of 30 large market capitalization companies. The companies are selected on the basis of market capitalization, liquidity and industry representation. The Sensex was first compiled in 1986 with the fiscal year ended March 31, 1979 as its base year. The BSE 100 Index (formerly

the BSE National Index) contains listed shares of 100 companies including the 30 in Sensex with fiscal 1984 as the base year. The BSE 100 Index was introduced in January 1989.

Trading Procedure

In order to facilitate smooth transactions, in 1995, BSE replaced its open outcry system with BSE On-line Trading (“BOLT”) facility in 1995. This totally automated screen based trading in securities was put into practice nation-wide. This has enhanced transparency in dealings and has assisted considerably in smoothening settlement cycles and improving efficiency in back-office work.

NSE

Our Equity Shares are also proposed to be listed in India on the NSE. The NSE was established by financial institutions and banks to provide nationwide on-line satellite-linked screen-based trading facilities with market makers and electronic clearing and settlement for securities including government securities, debentures, public sector bonds and units. Deliveries for trades executed “on-market” are exchanged through the National Securities Clearing Corporation Limited. After recognition as a stock exchange under the SCRA in April 1993, the NSE commenced operations in the wholesale debt market segment in June 1994 and operations in the derivatives segment in June 2000. In May 2009, the average daily traded value of the capital market segment was Rs. 191.28 billion. As of May 31, 2009, there were 1,425 companies trading on the NSE and the estimated market capitalization of stocks trading on the NSE was Rs. 45,645.72 billion. The NSE launched the NSE 50 index, now known as S&P CNX NIFTY, on April 22, 1996 and the Mid-cap Index on January 1, 1996. As of May 31, 2009, the market capitalization of the NSE was approximately Rs. 45,645.72 billion. With a wide network in major metropolitan cities, screen based trading, a central monitoring system and greater transparency, the NSE has lately recorded high volumes of trading.

Trading Procedure

The NSE recently introduced a fully automated screen based trading called the National Exchange for Automated Trading, which adopts the principle of an order driven market.

Trading Hours

Trading on both the BSE and the NSE normally occurs Monday through Friday, between 9:55 a.m. and 3:30 p.m. The BSE and the NSE are closed on public holidays.

Block Deals on Stock Exchange

SEBI has, by its circular dated September 2, 2005 (the “Block Deal Circular”), issued certain guidelines in relation to “block deals”. The Block Deal Circular has defined a “block deal” to mean a trade involving a minimum quantity of 500,000 shares or minimum value of Rs. 50 million executed through a single transaction (“Block Deal”) on a separate trading window, subject to following conditions:

- trading windows are to be set up and operated by the stock exchanges which shall remain open from 9:55 am to 10:30 am;
- the orders may be placed in this window at a price not exceeding +1% from the ruling market price/previous day closing price, as applicable;
- an order may be placed for a minimum quantity of 500,000 shares or minimum value of Rs. 50 million;
- every trade executed in this window must result in delivery and shall not be squared off or reversed;
- the stock exchanges shall disseminate the information on Block Deals such as the name of the shares, name of the client, quantity of shares bought/sold, traded price, etc to the general public on the same day, after the market hours; and

- certain additional disclosures in accordance with a circular dated January 14, 2004 issued by the SEBI (the “Bulk Deal Circular”) are to be made when the total quantity of shares bought or sold is more than 0.5% of the number of equity shares of the company listed on a stock exchange; these disclosures include (a) immediate disclosure upon execution of deals by brokers to the stock exchange of the name of the shares, name of the client, quantity of shares bought/sold and the traded price; and (b) stock exchanges shall disseminate the aforesaid information on the same day after market hours to the general public

Settlement

With effect from December 31, 2001, trading in all securities listed in the equity segment of the BSE takes place in one market segment, known as the Compulsory Rolling Settlement Segment.

With effect from April 1, 2003, in accordance with SEBI directives, stock exchanges in India operate on a trading day plus 2, or T+2 rolling settlement system. T+2, settlement requires that a transaction is settled on the second business day following the relevant trade date. The equity shares of the Company are listed in the B-1 segment on the BSE and trades in the shares are settled on a T+2 basis. SEBI has proposed to move to a T+1 settlement system.

Stock Market Indices

There is an array of indices of stock prices on NSE. The popular indices are the S&P CNX Nifty, CNX Nifty Junior, S&P CNX Defty, S&P CNX 500, CNX Midcap and CNX 100.

The following two indices are generally used in tracking the aggregate price movements on the BSE:

The BSE Sensitive Index, or Sensex, consists of listed shares of 30 large market capitalization companies. The companies are selected on the basis of market capitalization, liquidity and industry representation. Sensex was first compiled in 1986 with the fiscal year ended March 31, 1979 as its base year. This is the most commonly used index in India.

The BSE 100 Index (formerly the BSE National Index) contains listed shares of 100 companies including the 30 in Sensex. The BSE 100 Index was introduced in January 1989 with the fiscal year ended March 31, 1984 as its base year.

Internet-Based Securities Trading and Services

SEBI approved internet trading in January 2000. Internet trading takes place through order routing systems, which route client orders to exchange trading systems for execution. This permits clients throughout the country to trade using brokers’ Internet trading systems. Stock brokers interested in providing this service are required to apply for permission to the relevant stock exchange and also have to comply with certain minimum conditions stipulated by SEBI. NSE became the first exchange to grant approval to its members for providing Internet-based trading services. Internet trading is possible on both the “equities” as well as the “derivatives” segments of the NSE.

Takeover Code

Disclosure and mandatory bid obligations for listed Indian companies under Indian law are governed by the Takeover Code which prescribes certain thresholds or trigger points that give rise to certain obligations under the Takeover Code. The Takeover Code is under constant review by SEBI and was last amended in February 2009. Since the Company is an Indian listed company, the provisions of the Takeover Code will apply to acquisition of its shares.

The principal features of the Takeover Code are as follows:

The term ‘shares’ is defined to mean equity shares or any other security which entitles a person to acquire shares with voting rights but shall not include preference shares.

Any acquirer (defined as a person who, directly or indirectly, acquires or agrees to acquire shares or voting rights in a company or acquires or agrees to acquire control over a company, either by himself or with any person acting in concert) who acquires shares or voting rights that (taken together with shares or voting rights, if any, held by such person) would entitle the acquirer to more than 5%, 10%, 14%, 54% or 74% of the shares or voting rights, as the case may be, in a company is required to disclose at every stage the aggregate of his shareholding or voting rights in that company to the company and to each of the stock exchanges on which the company's shares are listed within two days of (i) the receipt of allotment information or (ii) the acquisition of shares or voting rights, as the case may be. The company in turn is also required to disclose the same to the stock exchanges on which the company's shares are listed. A person who holds more than 15% of the shares or voting rights in any company is required to make annual disclosure of his holdings as at March 31 to that company within 21 days of the financial year ending March 31). The company is required to disclose the same to each of the stock exchanges on which the company's shares are listed.

Further, a person who holds 15% or more but less than 55% of the shares or voting rights in any company is required to disclose any purchase or sale of shares exceeding (in aggregate) 2% of the share capital of the company to the company (which in turn is also required to disclose the same to each of the stock exchanges on which the company's shares are listed) and to each of the stock exchanges where the shares of the company are listed within two days of (i) the receipt of allotment information or (ii) the acquisition, sale or disposal of shares or voting rights. Promoters or persons in control of a company are also required to make periodic disclosure of shares or voting rights held by them along with persons acting in concert, in the same manner as above, annually within 21 days of the end of the financial year as well as from the record date for entitlement to a dividend. The company is also required to disclose the holdings of its promoters or persons in control as on March 31 of the respective year and on the record date fixed for the declaration of dividends to each of the stock exchanges on which its equity shares are listed. An acquirer who, along with persons acting in concert, acquires 15% (taken together with existing equity shares on voting rights, if any, held by it or persons acting in concert with it) or more of the shares or voting rights of a company would be required to make a public announcement to acquire a further minimum 20% of the shares of the company at a price not lower than the price determined in accordance with the Takeover Code. Such offer has to be made to all public shareholders of the company (defined as holders of shareholdings held by persons other than the promoter (as defined under the Takeover Code)).

An acquirer who, together with persons acting in concert with him, holds 15% or more but less than 55% of the shares or voting rights in a company cannot acquire additional shares or voting rights that would entitle him to exercise more than 5% of the voting rights in any financial year ending on March 31 unless such acquirer makes a public announcement offering to acquire a further minimum 20% of the shares or voting rights at a price not lower than the price determined in accordance with the Takeover Code.

Any acquisition of additional voting shares or voting rights by an acquirer who, together with persons acting in concert, holds 55% or more but less than 75% of the shares or voting rights in a company (or, where the company concerned had obtained the initial listing of its shares by making an offer of at least 10% of the issue size to the public pursuant to Rule 19(2)(b) of the SCRR, less than 90% of the shares or voting rights in the company) would require such an acquirer to make an open offer to acquire a minimum of 20% of the shares or voting rights which it does not already own in the company; provided however that such acquirer may, without making a public announcement, acquire, either by himself or through or with persons acting in concert with him, additional shares or voting rights entitling him up to 5% voting rights in the company, through open market purchase in normal segment on the stock exchange but not through bulk deal/ block deal/ negotiated deal/ preferential allotment. Also, if the shareholding or voting rights of such acquirer increases by up to 5% pursuant to a buyback of shares by the company, then this requirement is not triggered. But in any case, the post-acquisition shareholding of the acquirer together with persons acting in concert with him should not increase beyond 75%.

However, if an acquisition made pursuant to an open offer results in the public shareholding in the target company being reduced below the minimum level required under the listing agreement with the stock exchanges, the acquirer would be required to take steps to facilitate compliance by the target company with the relevant provisions of the listing agreement with the stock exchanges, within the time period prescribed therein.

In addition, regardless of whether there has been any acquisition of shares or voting rights in a company, an acquirer cannot directly or indirectly acquire control over a company (for example, by way of acquiring the

right to appoint a majority of the directors or to control the management or the policy decisions of the company) unless such acquirer makes a public announcement offering to acquire a minimum of 20% of the shares or voting rights which it does not already own in the company.

Where an acquirer who (together with persons acting in concert) holds 55% or more, but less than 75% of the shares or voting rights in a target company (or, where the concerned company had obtained the initial listing of its shares by making an offer of at least 10 % of the issue size to the public pursuant to Rule 19(2)(b) of the SCRR, less than 90% of the shares or voting rights in the company), intends to consolidate its holdings while ensuring that the public shareholding in the target company does not fall below the minimum level permitted by the listing agreement with the stock exchanges, the acquirer may do so by making an open offer in accordance with the Takeover Code. Such open offer would be required to be made for the lesser of (i) 20% of the voting capital of the company, or (ii) such other lesser percentage of the voting capital of the company as would, assuming full subscription to the open offer, enable the acquirer (together with persons acting in concert), to increase the holding to the maximum level possible, which is consistent with the target company meeting the requirements of minimum public shareholding laid down in the listing agreement with the stock exchanges.

The open offer for the acquisition of a further minimum of 20% of shares of the company or such other percentage as prescribed under the Takeover Code has to be made by way of a public announcement which must be made within four working days of entering into an agreement for the acquisition of, or decision to acquire directly, shares or voting rights exceeding the relevant percentages of shareholding in the company and/or control over the company.

Unless otherwise provided in the Takeover Code, an acquirer who seeks to acquire any shares or voting rights whereby the public shareholding in the company would be reduced to a level below the limit specified in the listing agreement with the stock exchange for the purpose of continuous listing may acquire such shares or voting rights only in accordance with the regulations prescribed for delisting of securities by SEBI. The Takeover Code sets out the contents of the required public announcement as well as the minimum offer price. The minimum offer price depends on whether the shares of the company are 'frequently' or 'infrequently' traded (as defined by the Takeover Code). In case the shares are frequently traded, then the minimum offer price would be the higher of:

- the negotiated price under the agreement for the acquisition of shares in the company;
- the highest price paid by the acquirer or persons acting in concert with him for any acquisitions, including through an allotment in a public, preferential or rights issue, during the 26-week period prior to the date of public announcement; and
- the average of the weekly high and low of the closing prices of the shares of the company quoted on the stock exchange where the shares of the company are most frequently traded during the 26-week period prior to the date of public announcement, or the average of the daily high and low of the closing prices of the shares as quoted on the stock exchange where the shares of the company are most frequently traded during the two weeks preceding the date of public announcement, whichever is higher.

The Takeover Code permits conditional offers and provides specific guidelines for the gradual acquisition of shares or voting rights. Specific obligations of the acquirer and the board of directors of the target company in the offer process have also been set out. Acquirers making a public offer are also required to deposit into an escrow account a prescribed percentage of the total consideration, which amount will be forfeited in the event that the acquirer does not fulfill its obligations. In addition, the Takeover Code introduces the 'chain principle' by which indirect acquisition by virtue of an acquisition of companies, whether listed or unlisted, whether in India or abroad, of a company listed in India will oblige the acquirer to make a public offer to the shareholders of each such Indian company that is indirectly acquired.

The public open offer provisions of the Takeover Code, subject to certain conditions, do not apply, among other things, to certain specified acquisitions, including the acquisition of shares: (i) by allotment in a public and rights issue subject to the fulfillment of certain conditions; (ii) pursuant to an underwriting agreement; (iii) by registered stockbrokers in the ordinary course of business on behalf of clients; (iv) in unlisted companies (unless such acquisition results in an indirect acquisition of shares in excess of 15% in a

listed company); (v) pursuant to a scheme of reconstruction or amalgamation approved by a court in India or abroad; (vi) pursuant to an inter se transfer between promoters, relatives, or group companies, subject to certain conditions; (vii) pursuant to a scheme under the SICA; (viii) through inheritance on succession, (ix) resulting from transfers by Indian venture capital funds or foreign venture capital investors registered with SEBI, to their respective promoters or to other venture capital undertakings; (x) by companies controlled by the Indian Government except where such acquisition is made pursuant to a disinvestment process undertaken by the Indian Government or a State Government; (xi) change in control by takeover/restoration of the management of the borrower company by the secured creditor in terms of the Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002; (xii) acquisition of shares by a person in exchange of equity shares received under a public offer made under the Takeover Code; and (xiii) in terms of guidelines and regulations relating to delisting of securities as specified by SEBI. The Takeover Code does not apply to acquisitions in the ordinary course of business by public financial institutions either on their own account or as pledgee. An application may also be filed with SEBI seeking exemption from the requirements of the Takeover Code. The general requirements to make such a public announcement do not, however, apply entirely to bailout takeovers of a 'financially weak company' but not a 'sick industrial company' pursuant to a rehabilitation scheme approved by a public financial institution or a scheduled bank. A 'financially weak company' is a company which has at the end of the previous financial year accumulated losses which have resulted in the erosion of more than 50% but less than 100% of the total sum of its paid up capital and free reserves as at the beginning of the previous financial year. A 'sick industrial company' is a company registered for not less than five years which has at the end of any financial year accumulated losses equal to or exceeding its entire net worth. The obligation to make an open offer also does not arise in case of acquisition of global depository receipts so long as they are not converted into shares carrying voting rights.

Recent amendments to the Takeover Code further empower the SEBI to relax, upon application by a target company, the provisions of Chapter III of the regulations, which pertain to the disclosure and the open offer requirements, in the event the directors of such company have been removed and replaced by the regulatory authorities for the orderly conduct of the affairs of the company and the replaced board has, amongst others, devised a plan for a transparent, open and competitive process for the continued operation of the company in the interests of all stakeholders of the company without furthering the interests of any particular acquirer. In the event the SEBI has granted such relaxation, no competitive bidding is allowed after a bid has been publicly announced by an acquirer.

Recent amendments to the Takeover Code also obligate every promoter and person forming part of the promoter group of a listed company to disclose to the company details of pledge of shares of that company held by such person and the revocation of pledge within seven working days from the date of creation of the pledge or the revocation, as the case maybe. A listed company is further required to disclose such information to all the stock exchanges on which its shares are listed within seven working days of its receipt thereof if, during any quarter ending March, June, September and December of any year, the aggregate number of pledged shares of a promoter or every person forming part of the promoter group (taken together with shares already pledged during that quarter by such promoter or persons) exceeds 25,000 or 1 percent of the total shareholding or voting rights of the company, whichever is lower.

The Takeover Code does not apply to the acquisition of shares in companies whose shares are not listed on any stock exchange.

Insider Trading Regulations

The SEBI (Prohibition of Insider Trading) Regulations 1992, as amended ("Insider Trading Regulations") have been notified by SEBI to prohibit and penalize insider trading in India. The Insider Trading Regulations prohibit an "insider" from dealing, either on his own behalf or on behalf of any other person, in the securities of a company listed on any stock exchanges when in possession of unpublished price-sensitive information. The terms "insider" and "unpublished price-sensitive information" are defined in the Insider Trading Regulations. The insider is also prohibited from communicating, counseling or procuring, directly or indirectly, any unpublished price-sensitive information to any other person who while in possession of such unpublished price-sensitive information is prohibited from dealing in securities. The prohibition under the Insider Trading Regulations extends to all persons, including a company dealing in the securities of a company listed on any stock exchange or associate of that other company, while in the possession of unpublished price-sensitive information. Pursuant to recent amendments to the Insider

Trading Regulations, the definition of the term insider has been broadened to include any person who has received or has had access to unpublished price sensitive information of the company.

On a continuous basis any person who holds more than 5% of the shares or voting rights in any listed company is required to disclose to the company the number of shares or voting rights held by such person and change in shareholding or voting rights (even if such change results in the shareholding falling below 5 percent) and any such change in such holding since last disclosure made, where such change exceeds 2% of the total shareholding or voting rights in the company. Such disclosure is required to be made within two working days of either: (i) the receipt of intimation of allotment of shares; or (ii) the acquisition or sale of shares or voting rights, as the case may be.

Further, all directors and officers of a listed company are required to disclose to the company the number of shares or voting rights held and positions taken derivatives by such person in such company within two working days of becoming a director or officer of such company. All directors and officers of a listed company are also required to make periodic disclosures of their shareholding in the company as specified in the Insider Trading Regulations.

The Insider Trading Regulations make it compulsory for listed companies and certain other entities associated with the securities market to establish an internal code of conduct to prevent insider trading deals and also to regulate disclosure of unpublished price-sensitive information within such entities so as to minimize misuse of such information. To this end, the Insider Trading Regulations provide a model code of conduct. As per the recent amendments, the Insider Trading Regulations require that the model code of conduct should not be diluted in any manner and shall be complied with.

The model code of conduct has also been amended to prohibit all directors/ officers/ designated employees who buy or sell any number of shares of the company from entering into opposite transactions during the next six months following the prior transaction. All directors and designated employees have also been prohibited from taking positions in derivative transactions in shares of the company at any time. Further, certain provisions pertaining to, inter alia, reporting requirements have also been extended to dependants of directors and designated employees of the company.

Depositories

In August 1996, the Indian Parliament enacted the Depositories Act which provides a legal framework for the establishment of depositories to record ownership details and effect transfers in book-entry form. SEBI framed the Securities and Exchange Board of India (Depositories and Participants) Rules and Regulations, 1996 which provide inter alia, for the formation of such depositories, the registration of participants as well as the rights and obligations of the depositories, participants, companies and beneficial owners. The depository system has significantly improved the operation of the Indian securities markets. The Depositories Act requires that every person subscribing to securities offered by an issuer has the option either to receive the security certificate or hold the securities with a depository. The National Securities Depository Limited and the Central Depository Services Limited are two depositories that provide electronic depository facilities for the trading of equity and debt securities in India. Trading of securities in book-entry form commenced in December 1996. In order to encourage “dematerialisation” of securities, SEBI has set up a working group on dematerialisation of securities comprising foreign institutional investors, custodians, stock exchanges, mutual funds and the National Securities Depository Limited to review the progress of securities and trading in dematerialised form and to recommend scrips for compulsory, dematerialised trading in a phased manner. In January 1998, the SEBI notified scrips of various companies for compulsory dematerialised trading by certain categories of investors such as foreign institutional investors and other institutional investors and has also notified compulsory dematerialised trading in specified scrips for all retail investors. SEBI has subsequently significantly increased the number of scrips in which dematerialised trading is compulsory for all investors. SEBI has also provided that the issue and allotment of shares in public offers, rights offers or offers for sale after specified dates to be notified from time to time by SEBI shall only be in dematerialised form and an investor shall be compulsorily required to open a depository account with a participant. Under the Depositories Act, a company shall give the option to subscribers/shareholders to receive the security certificates or hold securities in dematerialised form with a depository. However, even in the case of scrips notified for compulsory dematerialised trading, investors, other than institutional investors, are permitted to trade in physical shares on transactions outside the stock exchange where there are no requirements for reporting

such transactions to the stock exchange and on transactions on the stock exchange involving lots of less than 500 securities.

Transfers of shares in book-entry form require both the seller and the purchaser of the equity shares to establish accounts with depository participants registered with the depositories established under the Depositories Act. Charges for opening an account with a depository participant, transaction charges for each trade and custodian charges for securities held in each account vary depending upon the practice of each depository participant and have to be borne by the accountholder. Upon delivery, the shares shall be registered in the name of the relevant depository on the company's books and this depository shall enter the name of the investor in its records as the beneficial owner. The transfer of beneficial ownership shall be effected through the records of the depository. The beneficial owner shall be entitled to all rights and benefits and be subject to all liabilities in respect of his/her securities held by a depository.

The Companies Act and SEBI Regulations compulsorily provide that Indian companies making any initial public offerings of securities for or in excess of Rs.100 million should issue the securities in dematerialized form.

Buy-back

A company may buy-back its shares subject to compliance with the requirements of Section 77A of the Companies Act and SEBI (Buy-back of Securities) Regulation, 1998, as amended. Under Section 77A of the Companies Act, a company may, subject to certain conditions, including without limitation, (i) the buy-back is authorized by the company's Articles of Association, (ii) a special resolution authorizing the buy-back is passed in a general meeting, (iii) the buy-back is limited to 25% of the company's total paid up capital and free reserves, and (iv) the ratio of debt owed is not more than twice the capital and free reserves after such buy-back, buy its equity shares or other specified securities out of its free reserves or securities premium account or the proceeds of any equity shares or other specified securities, provided that no buy-back of any kind of shares or other specified securities shall be made out of the proceeds of an earlier issue of the same kind of shares or same kind of other specified securities.

The Companies Act provides that a special resolution authorizing the buy-back will not be required if such buy-back is equal to or less than 10% of the total paid-up equity capital and free reserves of the company and such buy-back has been authorized by the board of directors of the company by means of a resolution in its meeting, provided that no offer of buy-back shall be made within a period of 365 days from the date of the preceding offer of buy-back.

A company buying back its securities is required to extinguish and physically destroy the securities that are bought back within seven days of the last date of completion of the buy-back. Further, the company buying back its securities is not permitted to issue securities of the same kind of shares or other specified securities within a period of six months from the buy-back date except by way of a bonus issue or in the discharge of subsisting obligations, such as conversion of warrants, stock option schemes, sweat equity or conversion of preference shares or debentures into equity shares.

Under Section 77B of the Companies Act, a company is also prohibited from purchasing its own shares or specified securities through any subsidiary company, including its own subsidiary companies or through any investment company or group of investment companies or if a default, by the company, in repayment of deposit or interest payable thereon, redemption of debentures or preference shares or payment of dividend to a shareholder or repayment of any term loan or interest payable thereon to any financial institution or bank is subsisting, or in the event of non-compliance with certain provisions of the Companies Act.

Under the SEBI (Buy-Back of Securities) Regulations, 1998, the buy-back may be (a) from the existing security holders on a proportionate basis through a tender offer; (b) from the open market through (i) a book-building process, or (ii) the stock exchange; or (c) from odd-lot holders. Buy-backs through negotiated deals, whether on a stock exchange or through spot transactions or through any other private arrangements, are not permitted.

Derivatives (Futures and Options)

Trading in derivatives is governed by the SCRA, the SCRA Rules and the SEBI Act. The SCRA was amended in February 2000 and derivative contracts were included within the term “securities,” as defined by the SCRA. Trading in derivatives in India takes place either on separate and independent derivatives exchanges or on a separate segment of an existing stock exchange. The derivative exchange or derivative segment of a stock exchange functions as a self regulatory organization under the supervision of the SEBI. Derivatives products have been introduced in a phased manner in India, starting with future contracts in June 2000 and index options, stock options and stock futures in June 2000, July 2001 and November 2001, respectively.

DISTRIBUTION AND SOLICITATION RESTRICTIONS

The distribution of this Offering Memorandum or any Issue material and the offering, sale or delivery of the Equity Shares is restricted by law in certain jurisdictions. Therefore, persons who may come into possession of this Offering Memorandum or any offering material are advised to consult with their own legal advisors as to what restrictions may be applicable to them and to observe such restrictions. This Offering Memorandum may not be used for the purpose of an offer or invitation in any circumstances in which such offer or invitation is not authorized. No action has been taken or will be taken that would permit a public offering of the Equity Shares to occur in any jurisdiction other than India, or the possession, circulation or distribution of this Offering Memorandum or any other material relating to the Company or the Equity Shares in any jurisdiction where action for such purpose is required. Accordingly, the Equity Shares may not be offered or sold, directly or indirectly, and neither this Offering Memorandum nor any offering materials or advertisements in connection with the Equity Shares may be distributed or published in or from any country or jurisdiction except under circumstances that will result in compliance with any applicable rules and regulations of any such country or jurisdiction.

Australia. This document does not comprise an offer of securities for issue, sale or purchase that requires disclosure under the Corporations Act 2001 of Australia. This Offering Memorandum is not a "disclosure document" for the purposes of Australian law and has not been, and will not be, lodged or registered with the Australian Securities and Investments Commission. Any offers for issue, sale or purchase of securities under this Offering Memorandum are intended to be offers in respect of which disclosure is not required to be made to investors under Part 6D.2 of the Corporations Act 2001 of Australia.

Cayman Islands. No offer or invitation to purchase Equity Shares may be made to the public in the Cayman Islands.

European Economic Area (including Iceland, Leichtenstein and Norway). In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a "Relevant Member State"), each underwriter has represented and agreed that, with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the "Relevant Implementation Date"), it has not made and will not make an offer of Equity Shares to the public in that Relevant Member State prior to the publication of a prospectus in relation to the Equity Shares which has been approved by the competent authority in that Relevant Member State or, where appropriate, approved in another Relevant Member State and notified to the competent authority in that Relevant Member State, all in accordance with the Prospectus Directive, except that it may, with effect from and including the Relevant Implementation Date, make an offer of Equity Shares to the public in that Relevant Member State at any time:

- to legal entities which are authorized or regulated to operate in the financial markets or, if not so authorized or regulated, whose corporate purpose is solely to invest in securities;
- to any legal entity which has two or more of (i) an average of at least 250 employees during the last financial year, (ii) a total balance sheet of more than €43,000,000 and (iii) an annual net turnover of more than €50,000,000, as shown in its last annual or consolidated accounts;
- to fewer than 100 natural or legal persons (other than qualified investors as defined in the Prospectus Directive) subject to obtaining the prior consent of the GCBRLMs and the BRLMs for any such offer; or
- in any other circumstances which do not require the publication of a prospectus pursuant to Article 3(2) of the Prospectus Directive;

provided that no such offer of Equity Shares shall result in a requirement for the publication by the Company or any Underwriter of a prospectus pursuant to Article 3 of the Prospectus Directive. For the purposes of this provision, the expression an "offer of Equity Shares to the public" in relation to any of the Equity Shares in any Relevant Member States means the communication in any form and by any means, of sufficient information on the terms of the offer and the Equity Shares to be offered so as to enable an

investor to decide to purchase or subscribe for the Equity Shares, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State.

Hong Kong. No Equity Shares have been offered or sold, and no Equity Shares may be offered or sold, in Hong Kong, by means of any document, other than to persons whose ordinary business is to buy or sell shares or debentures, whether as principal or agent; or to “professional investors” as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong and any rules made under that Ordinance; or in other circumstances which do not result in the document being a “prospectus” as defined in the Companies Ordinance (Cap. 32) of Hong Kong or which do not constitute an offer to the public within the meaning of the Companies Ordinance (Cap.32) of Hong Kong. No document, invitation or advertisement relating to the Equity Shares has been issued or may be issued, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted under the securities laws of Hong Kong) other than with respect to Equity Shares which are intended to be disposed of only to persons outside Hong Kong or only to “professional investors” as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong and any rules made under that Ordinance.

Japan. The Equity Shares have not been and will not be registered under the Securities and Exchange Law of Japan (Law. No. 25 of 1948 as amended) (the “SEL”) and disclosure under the SEL has not been and will not be made with respect to the Equity Shares. No Equity Shares have, directly or indirectly, been offered or sold, and may not, directly or indirectly, be offered or sold in Japan or to, or for the benefit of, any resident of Japan (which term as used herein means any person resident in Japan, including any corporation or other entity organized under the laws of Japan) or to others for re-offering or re-sale, directly or indirectly in Japan or to, or for the benefit of, any resident of Japan except (1) pursuant to an exemption from the registration requirements of the SEL and (2) in compliance with any other relevant laws, regulations and governmental guidelines of Japan.

Korea. The Equity Shares have not been registered under the Korean Securities and Exchange Law, and the Equity Shares acquired in connection with the distribution contemplated hereby may not be offered or sold, directly or indirectly, in Korea or to or for the account of any resident thereof, except as otherwise permitted by applicable Korean laws and regulations, including, without limitation, the Korean Securities and Exchange Law and the Foreign Exchange Transaction Laws.

Kuwait. The Equity Shares have not been authorized or licensed for offering, marketing or sale in the State of Kuwait. The distribution of the Offering Memorandum and the offering and sale of the Equity Shares in the State of Kuwait is restricted by law unless a license is obtained from the Kuwaiti Ministry of Commerce and Industry in accordance with Law 31 of 1990.

Malaysia. No prospectus or other offering material or document in connection with the offer and sale of the Equity Shares has been or will be registered with the Securities Commission of Malaysia pursuant to the Securities Commission Act, 1993 as the offer for purchase of, or invitation to purchase the Equity Shares is meant to qualify as an “excluded offer or excluded invitation” within the meaning of Section 38 of the Securities Commission Act, 1993. Each initial purchaser has severally represented, warranted or agreed that that Equity Shares will not be offered, sold, transferred or otherwise disposed, directly or indirectly, nor any document or other material in connection therewith distributed, in Malaysia, other than to persons falling within any one of the categories or person specified in Schedule 2 and/or Schedule 3 of the Securities Commission Act, 1993 who are also person to whom any offer or invitation to purchase or sell would be an excluded offer or invitation within the meaning of Section 38 of the Securities Commission Act, 1993.

Qatar. The Equity Shares have not been offered, sold or delivered, and will not be offered, sold or delivered at any time, directly or indirectly, in the state of Qatar in a manner that would constitute a public offering. This Offering Memorandum has not been reviewed or registered with Qatari Government Authorities, whether under Law No. 25 (2002) concerning investment funds, central bank resolution No. 15 (1997), as amended, or any associated regulations. Therefore, this Offering Memorandum is strictly private and confidential, and is being issued to a limited number of sophisticated investors, and may not be reproduced or used for any other purposes, nor provided to any person other than recipient thereof.

Singapore. This Offering Memorandum has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, this Offering Memorandum and any other document or material in

connection with the offer or sale, or invitation for subscription or purchase, of the Equity Shares may not be circulated or distributed, nor may the Equity Shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor under Section 274 of the SFA, (ii) to a relevant person, or any person pursuant to Section 275(1A), and in accordance with the conditions, specified in Section 275 of the SFA or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where the Equity Shares are subscribed or purchased under Section 275 by a relevant person which is:

- a corporation (which is not an accredited investor) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or
- a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary is an accredited investor,

shares, debentures and units of shares and debentures of that corporation or the beneficiaries' rights and interest in that trust shall not be transferable for 6 months after that corporation or that trust has acquired the Equity Shares under Section 275 except: (i) to an institutional investor under Section 274 of the SFA or to a relevant person, or any person pursuant to Section 275(1A), and in accordance with the conditions, specified in Section 275 of the SFA; (ii) where no consideration is given for the transfer; or (iii) by operation of law.

Switzerland. This Offering Memorandum does not constitute a Offering Memorandum within the meaning of Article 652a or Article 1156 of the Swiss Code of Obligations (Schweizerisches Obligationenrecht) and is for the use of the direct recipient as addressed only, and is to be treated confidentially. The recipient must not forward this Offering Memorandum to any third party.

United Arab Emirates. This Offering Memorandum is not intended to constitute an offer, sale or delivery of shares or other securities under the laws of the United Arab Emirates (the "UAE"). The Equity Shares have not been and will not be registered under Federal Law No. 4 of 2000 Concerning the Emirates Securities and Commodities Authority and the Emirates Security and Commodity Exchange, or with the UAE Central Bank, the Dubai Financial Market, the Abu Dhabi Securities market or with any other UAE exchange. The Issue, the Equity Shares and interests therein do not constitute a public offer of securities in the UAE in accordance with the Commercial Companies Law, Federal Law No. 8 of 1984 (as amended) or otherwise. This Offering Memorandum is strictly private and confidential and is being distributed to a limited number of investors and must not be provided to any person other than the original recipient, and may not be reproduced or used for any other purpose. The interests in the Equity Shares may not be offered or sold directly or indirectly to the public in the UAE.

United Kingdom. Each Underwriter has represented and agreed that:

- (i) it is a person who is a qualified investor within the meaning of Section 86(7) of the Financial Services and Markets Act 2000 (the "FSMA"), being an investor whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business and (ii) it has not offered or sold and will not offer or sell the Equity Shares other than to persons who are qualified investors within the meaning of Section 86(7) of the FSMA or who it reasonably expects will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses where the issue of the Equity Shares would otherwise constitute a contravention of Section 19 of the FSMA by us;
- (ii) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) received by it in connection with the issue or sale of the Equity Shares in circumstances in which Section 21(1) of the FSMA does not apply to it; and

- (iii) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the Equity Shares in, from or otherwise involving the United Kingdom.

United States of America. The Equity Shares have not been and will not be registered under the U.S. Securities Act or any state securities laws in the United States and may not be offered, sold, pledged or otherwise transferred within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable U.S. state securities laws. Terms used in this paragraph have the meanings given to them by Regulation S.

The Equity Shares are being offered and sold (a) in the United States only to persons reasonably believed to be qualified institutional buyers (as defined in Rule 144A under the Securities Act); and (b) outside of the United States in reliance on Regulation S under the Securities Act. Each purchaser of the Equity Shares will be deemed to have made the representations, agreements and acknowledgements as described under “Transfer Restrictions”.

TRANSFER RESTRICTIONS

Due to the following restrictions, investors are advised to consult legal counsel prior to making any resale, pledge or transfer of the Equity Shares.

The Equity Shares have not been and will not be registered under the U.S. Securities Act and may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws.

Each purchaser of the Equity Shares outside the United States pursuant to Regulation S will be deemed to have represented and agreed that it has received a copy of this Offering Memorandum and such other information as it deems necessary to make an informed investment decision and that:

- (1) the purchaser acknowledges that the Equity Shares have not been and will not be registered under the U.S. Securities Act, or with any securities regulatory authority of any state of the United States, and are subject to restrictions on transfer;
- (2) the purchaser and the person, if any, for whose account or benefit the purchaser is acquiring the Equity Shares, was located outside the United States at the time the buy order for the Equity Shares was originated and continues to be located outside the United States and has not purchased the Equity Shares for the account or benefit of any person in the United States or entered into any arrangement for the transfer of the Equity Shares or any economic interest therein to any person in the United States;
- (3) the purchaser is not an affiliate of the Company or a person acting on behalf of such affiliate; and it is not in the business of buying and selling securities or, if it is in such business, it did not acquire the Equity Shares from the Company or an affiliate thereof in the initial distribution of the Equity Shares;
- (4) the purchaser is aware of the restrictions on the offer and sale of the Equity Shares pursuant to Regulation S described in this Offering Memorandum;
- (5) the Equity Shares have not been offered to it by means of any “directed selling efforts” as defined in Regulation S under the U.S. Securities Act; and
- (6) the purchaser acknowledges that the Company, the Underwriters and their affiliates, and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements and agrees that, if any of such acknowledgements, representations and agreements deemed to have been made by virtue of its purchase of the Equity Shares are no longer accurate, it will promptly notify the Company, and if it is acquiring any of the Equity Shares as a fiduciary or agent for one or more accounts, it represents that it has sole investment discretion with respect to each such account and that it has full power to make the foregoing acknowledgements, representations and agreements on behalf of such account.

Each purchaser of the Equity Shares within the United States purchasing pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act will be deemed to have represented and agreed that it has received a copy of this Offering Memorandum and such other information as it deems necessary to make an informed investment decision and that:

- (1) the purchaser is authorized to consummate the purchase of the Equity Shares in compliance with all applicable laws and regulations;
- (2) the purchaser acknowledges that the Equity Shares have not been and will not be registered under the U.S. Securities Act or with any securities regulatory authority of any state of the United States and are subject to significant restrictions on transfer;

- (3) the purchaser is a qualified institutional buyer (as defined in Rule 144A under the U.S. Securities Act), is aware that the sale to it is being made in a transaction not subject to the registration requirements of the U.S. Securities Act and is acquiring such Equity Shares for its own account or for the account of a qualified institutional buyer;
- (4) the purchaser is aware that the Equity Shares are being offered in the United States in a transaction not involving any public offering in the United States within the meaning of the U.S. Securities Act;
- (5) if in the future, the purchaser decides to offer, resell, pledge or otherwise transfer such Equity Shares, or any economic interest therein, such Equity Shares or any economic interest therein may be offered, sold, pledged or otherwise transferred only to a person whom the beneficial owner and/or any person acting on its behalf reasonably believes is a qualified institutional buyer in a transaction meeting the requirements of Rule 144A, in accordance with Regulation S under the U.S. Securities Act or in accordance with Rule 144 under the U.S. Securities Act (if available), in each case in accordance with any applicable securities laws of any state of the United States or any other jurisdiction;
- (6) the Equity Shares are “restricted securities” within the meaning of Rule 144(a)(3) under the U.S. Securities Act and no representation is made as to the availability of the exemption provided by Rule 144 for re-sales of any Equity Shares;
- (7) the purchaser will not deposit or cause to be deposited such Equity Shares into any depositary receipt facility established or maintained by a depositary bank other than a Rule 144A restricted depositary receipt facility, so long as such Equity Shares are “restricted securities” within the meaning of Rule 144(a)(3) under the U.S. Securities Act;
- (8) the Company shall not recognize any offer, sale, pledge or other transfer of the Equity Shares made other than in compliance with the above-stated restrictions; and
- (9) the purchaser acknowledges that the Company, the Underwriters and their affiliates, and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements and agrees that, if any of such acknowledgements, representations and agreements deemed to have been made by virtue of its purchase of the Equity Shares are no longer accurate, it will promptly notify the Company, and if it is acquiring any of the Equity Shares as a fiduciary or agent for one or more accounts, it represents that it has sole investment discretion with respect to each such account and that it has full power to make the foregoing acknowledgements, representations and agreements on behalf of such account.

RESTRICTIONS ON TRANSFERS OF EQUITY SHARES AND FOREIGN EXCHANGE REMITTANCES FROM INDIA

Restrictions on Conversion of Rupees into Foreign Currency

There are certain restrictions on the conversion of Rupees into foreign currency. 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). The RBI has issued regulations under the FEMA 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 Equity Shares and Repatriation of Sale Proceeds

A person not resident in India holding equity shares or convertible debentures of a listed Indian company is permitted to sell such equity shares or convertible debentures to a person resident in India on a recognized Indian stock exchange through a registered broker. The sale proceeds of equity shares (net of taxes) sold by a person resident outside India may be remitted outside India. In the case of an FII, the sale proceeds may be credited to its special non-resident Rupee Account. In the case of an NRI, if the equity shares sold were held on a repatriation basis, the sale proceeds (net of taxes) may be credited to his NRE/FCNR(B) accounts and if the equity shares sold were held on a non-repatriation basis, the sale proceeds may be credited to his NRO account subject to payment of taxes.

A person not resident in India, or a non-resident Indian, may sell the equity shares held by him to any other person not resident in India, or a non-resident Indian, respectively, without the prior approval of the RBI or the FIPB. However, if the acquirer of the equity shares has, as on January 12, 2005, a venture or tie-up in India through investment in equity shares or a technical collaboration or a trademark agreement or investment howsoever called in the same field in which the company is engaged, the acquirer is required to obtain the prior permission of the FIPB to acquire the equity shares. However, the prior permission of the FIPB would not be required in cases where the foreign investor has a joint venture or technology transfer or a trademark agreement in the same field, if (i) the foreign investor's investment in the existing joint venture is less than 3%; (ii) where the existing joint venture is defunct or sick; or (iii) where the investment is made by a venture capital fund registered with SEBI.

Moreover, the transfer of shares by an Indian resident to a person not resident in India does not require the prior approval of the FIPB or the RBI, provided that: (1) the activities of the investee company are under the automatic route pursuant to the foreign direct investment policy ("FDI Policy") and the transfer does not involve the application of the Takeover Code (as defined below); (2) the non-resident shareholder complies with sectoral limits under the FDI Policy; and (3) the pricing is in accordance with the guidelines prescribed by SEBI and the RBI. Under current Indian foreign investment regulations applicable to our Company, investment by a non-resident, unless made on the stock exchange under the portfolio investment scheme, may require approval of the Government.

In the event of any acquisition of equity shares as described above, the provisions of the Takeover Code (as defined below) may apply. See "The Securities Market of India".

Any person not resident in India seeking to sell Equity Shares on one of the Stock Exchanges or sell or transfer Equity Shares to a resident of India should seek advice from Indian legal advisers as to the applicable requirements. If any approval is required, we cannot guarantee that any approval will be obtained in a timely manner or at all. Because of possible delays in obtaining requisite approvals, investors

in the Equity Shares may be prevented from realizing gains during periods of price increases or limiting losses during periods of price declines.

A person resident outside India may transfer Equity Shares held by him to a person resident in India by way of a gift.

TAXATION

The following summary of certain material Indian tax and U.S federal income consequences of ownership of Equity Shares is based upon laws, regulations, decrees, rulings, income tax conventions (treaties), administrative practice and judicial decisions in effect at the date of this Offering Memorandum. This summary does not address all of the consequences that may arise if the Finance (No. 2) Bill, 2009 as placed before the Indian Parliament were to be enacted. Legislative, judicial or administrative changes or interpretations may, however, be forthcoming that could alter or modify the statements and conclusions set forth herein. Any such changes or interpretations may be retroactive and could affect the tax consequences to holders of the Equity Shares. This summary does not purport to be a legal opinion or to address all tax aspects that may be relevant to a holder of Equity Shares.

Certain Indian Tax Considerations

The following is a summary of the material Indian tax consequences of owning and disposing of Equity Shares purchased in this Issue and held as capital assets by holders who are non-residents. The discussion assumes that each such person will remain a non-resident when the income by way of dividends and capital gains is earned. The following summary is based on the current provisions of the Indian Income Tax Act, 1961 ("IT Act"), as amended and rules and regulations made thereunder, and applicable to the financial year ending March 31, 2008. The IT Act is amended every year by the Finance Act of the relevant year. The Finance (No. 2) Bill, 2009 was introduced in the Parliament of India on July 6, 2009 and is yet to be passed. Some or all of the tax consequences mentioned hereunder may be amended or changed by future amendments to the IT Act.

Levy of Income Tax

In India, tax is charged on the basis of the residential status of a person (under terms of the provisions of the IT Act) on his total income in the previous year, at the rates specified in the Finance Act that is applicable to the relevant assessment year.

In general, in the case of a person who is resident in India in the previous year, his/her global income for the assessment year is subject to tax in India. In the case of a person who is not resident in India (i.e., a "non-resident"), only the income which is received or deemed to be received, or the income which accrues or is deemed to accrue, to such person in, or otherwise arises in, or is deemed to arise in, India is subject to tax in India. In the case of a person who is "not ordinarily resident" in India, the income chargeable to tax is the same as for persons who are resident and ordinarily resident except that the income which accrues or arises outside India is not included in his total income unless it is derived from a business controlled, or a profession organized, in India.

Under Section 90(2) of the IT Act, the provisions of the IT Act would apply to the extent they are more beneficial than the provisions of any tax treaty between India and the country of residence of a non-resident.

YOU SHOULD CONSULT YOUR OWN TAX ADVISORS CONCERNING THE INDIAN TAX IMPLICATIONS AND CONSEQUENCES OF PURCHASING, OWNING AND DISPOSING OF EQUITY SHARES IN YOUR PARTICULAR SITUATION.

Residence

For these purposes, "non-resident" means a person who is not a resident in India. For purposes of the IT Act, as amended, an individual is considered to be a resident of India during any previous year if he or she is in India in that year for:

- 1) a period or periods amounting to 182 days or more; or

- 2) (a) 60 days or more during the previous year and 365 days or more during the four years immediately preceding the previous year; or
- (b) 182 days or more, in the case of a citizen of India or a person of Indian origin living abroad who visits India; or
- (c) 182 days or more, in the case of a citizen of India who leaves India for the purposes of employment outside India in any previous year or leaves India as a member of the crew of an Indian ship.

A company is resident in India in any previous year, if it is formed and incorporated in accordance with the Companies Act and has its registered office in India or the control and management of its affairs is situated wholly in India. A firm or other association of persons is resident in India except in any previous year in every case where during the year the control and management of its affairs is situated wholly outside India.

This summary is not intended to constitute a complete analysis of the Indian tax consequences to any particular non-resident holders. Individual tax consequences of an investment in Equity Shares may vary for non-residents in various circumstances, and potential investors should therefore consult their own tax advisers as to the tax consequences of such purchase, ownership and disposition under the tax laws of India, the jurisdiction of their residence and any tax treaty between India and their country of residence. The Income Tax Act, 1961 is revised by the Finance Act every fiscal year.

This summary is based on Indian tax laws as of the date of this Offering Memorandum which may change after the date hereof.

Taxation of Dividends

The Company is liable to pay a “dividend distribution tax” currently at the rate of 15.0% (plus a surcharge of 10.0% on dividend distribution tax and education cess at the rate of 3.0% on dividend distribution tax and surcharge) on the total amount distributed, declared or paid by a Company as dividend. Dividends are not taxable in India in the hands of the recipients. Distribution to non-residents of bonus shares or rights to subscribe for equity shares made with respect to the bonus shares are not subject to Indian tax.

Securities Transaction Tax

Pursuant to the Finance (No. 2) Act, 2004, as amended from time to time, a Securities Transaction Tax (“STT”) has been levied on taxable securities transactions, as specified below:

<i>Taxable Securities Transaction</i>	<i>Rate (with effect from June 1, 2008)</i>	<i>Payable by</i>
Purchase of an equity share in a company or a unit of an equity oriented mutual fund (delivery based), where: the transaction of such purchase is entered into in a recognized stock exchange; and the contract for the purchase of such share or unit is settled by the actual delivery or transfer of such share or unit.	0.125%	Purchaser
Sale of an equity share in a company or a unit of an equity oriented mutual fund (delivery based), where: the transaction of such sale is entered into on a recognized stock exchange; and	0.125%	Seller

Taxable Securities Transaction

***Rate (with
effect from
June 1, 2008) Payable by***

the contract for the sale of such share or unit is settled by the actual delivery or transfer of such share or unit.

Sale of an equity share in a company or a unit of an equity oriented fund (non-delivery based), where: 0.025% Seller

the transaction of such sale is entered into in a recognized stock exchange; and

the contract for the sale of such share or unit is settled otherwise than by the actual delivery or transfer of such share or unit.

Sale of a derivative, where the transaction of such sale is entered into in a recognized stock exchange

- | | | |
|---|--------|-----------|
| a) in case of sale of option in securities | 0.017% | Seller |
| b) in case of sale of an option where option is exercised | 0.125% | Purchaser |
| c) sale of futures in securities | 0.017% | Seller |

Sale of a unit of an equity oriented fund to a mutual fund. 0.25% Seller

Taxation of Capital Gains

Subject to any relief under any relevant double taxation avoidance agreement, a gain arising from the sale of an equity share will generally give rise to a liability for Indian income tax in the hands of the transferor. Such tax is required to be withheld at the source.

Equity Shares held by a non-resident investor for a period of more than 12 months shall be treated as long-term capital assets. If the Equity Shares are held for a period of 12 months or less than 12 months, the capital gain arising on the sale thereof is to be treated as short term capital gain.

The amount of gain on the disposition of an equity share must be computed by converting the cost of acquisition and full value of the consideration received as a result of such disposition into the same foreign currency as was initially utilized for acquisition, and the capital gains so computed in foreign currency shall be reconverted into Rupees.

Generally, Double Taxation Avoidance Agreements (“DTAAs”) between India and other countries, including the US, the UK and Singapore, do not limit India’s ability to impose tax on capital gains. However, capital gains on the sale of Equity Shares purchased in this Issue by residents of certain other countries could be exempt from tax in India by virtue of the provisions contained in the DTAAs between India and such countries.

Long-Term Capital Gains

With effect from October 1, 2004, any gain realized by a non-resident from the sale of listed equity shares that have been held for more than 12 months (“long-term capital gain”) will not be subject to Indian capital gains tax if the sale is on a recognized stock exchange and STT has been paid on the transaction. STT is levied on and collected by a domestic stock exchange on which equity shares are sold (in case of delivery based transactions) at the rate of 0.125% from the purchaser and 0.125% from the seller on the total price at which the equity shares are sold. Any gain realized on the sale of equity shares held for more than 12 months, where the sale is made otherwise than on a stock exchange and as a result no STT is paid, will be

subject to Indian capital gains tax at the rate of 20% plus applicable surcharge and education cess for non-resident companies and non-resident individuals.

Short-Term Capital Gains

Non-Residents Generally: Capital gain realized in respect of equity shares held for 12 months or less (short-term gain), if the sale is made on a recognized stock exchange and on which STT is paid in the manner and rates set out above, is subject to tax at the rate of 15% plus applicable surcharge. In the event that the sale is made otherwise than on a stock exchange and as a result no STT is paid, short-term gain is subject to tax at variable rates with the maximum rate being 40% plus applicable surcharge and education cess. The actual rate of tax on short-term gains depends on a number of factors, including the legal status of the non-resident and the type of income chargeable in India. The provisions of the DTAA entered into by the Government of India with the country of residence of the non-resident investor will be applicable to the extent they are more beneficial to the non-resident investor.

Foreign Institutional Investors: If equity shares held by FIIs are held by way of an investment, the gains, whether short term or long term, realized on the disposition of such equity shares will be computed as above, except that long term capital gain on the sale of shares otherwise than on a recognized stock exchange as a result no STT is paid will be subject to tax at the rate of 10% plus applicable surcharge and education cess, and short term capital gain on sale of shares otherwise than on a stock exchange as a result of which no STT is paid will be subject to tax at the rate of 30% plus applicable surcharge and education cess. However, where the equity shares form a part of the FII's stock-in-trade, any income realized in the disposition of such equity shares will be treated as business profits, taxable in accordance with the DTAA between India and the country of residence of the FII. The nature of the equity shares held by the FII is usually determined on the basis of a number of factors including, the substantial nature of the transactions, the manner of maintaining books of account, the magnitude of purchases and sales and the ratio between purchases and sales and the holding.

If the income realized in the disposition of Equity Shares is characterized as business income, it would be chargeable to tax in case the FII has a permanent establishment in India in accordance with the DTAA between India and the country of residence of the FII, and as per the Income Tax Act, 1961, in case there is no DTAA between India and the country of residence of the FII. In case the income realized in the disposition of Equity Shares is chargeable to tax in India as business income, FIIs could claim rebate from tax payable on such income with respect to STT paid on purchase/sale of equity shares. Business profits are subject to tax at variable rates with the maximum rate being 40% plus applicable surcharge and education cess. The actual rate of tax on business profits depends on a number of factors, including the legal status of the non-resident and the quantum of total income.

FIIs should consult their own tax advisers as to the tax consequences of such purchase, ownership and disposition under the tax laws of India, the jurisdiction of their residence and any tax treaty between India and their country of residence.

Non-Resident Indians: The capital gains regime applicable to non-residents generally is also applicable to non-resident Indians.

Tax Deduction at Source

Generally, tax, surcharge and education cess on the capital gain if any, are withheld at the source by the purchaser/person paying for the equity shares in accordance with the relevant provisions of the Income Tax Act, 1961, as amended, except capital gains arising to FIIs.

Capital Loss

In general terms, loss arising from a transfer of a capital asset in India can only be set off against capital gain. Since long-term capital gains on the sale of listed equity share in respect of which STT has been paid

is not liable to capital gain tax, it is doubtful whether any long-term capital loss arising on account of such sale would be allowed to be set off. A short term capital loss can be set off against capital gain whether short term or long-term. To the extent that the loss is not absorbed in the year of transfer, it may be carried forward for a period of eight assessment years immediately succeeding the assessment year for which the loss was first determined by the tax authority and may be set off against the capital gains assessable for such subsequent assessment years. In order to set off a capital loss as above, the non-resident investor would be required to file appropriate and timely returns in India and undergo the usual assessment procedure.

Stamp Duty

A sale of Equity Shares in physical form by a non-resident investor would also be subject to Indian stamp duty at the rate of 0.125% of the market value of the Equity Shares on the trade date, although such tax is customarily borne by the transferee, that is, the purchaser. In order to register a transfer of Equity Shares in physical form with us, it is necessary to present a stamped deed of transfer. However, the Equity Shares are compulsorily delivered in non-physical form (except for trades up to 500 shares, which may be delivered in physical form) and no stamp duty is payable on the acquisition or transfer of Equity Shares in non-physical form.

Wealth Tax and Gift Tax

No Indian wealth tax or gift tax will be payable with respect to the Equity Shares.

Long term capital gains are subject to Minimum Alternate Tax

With effect from the fiscal year ending March 31, 2007, long term capital gains are subject to Minimum Alternate Tax ("MAT"). If such long term capital gain is used to offset a short term capital loss then such offset will be taken into account when calculating the amount of profit realized by, and any consequent MAT liability of, the Company.

Service Tax

Brokerage fees paid to stockbrokers in connection with the sale or purchase of shares which are listed on any recognized stock exchange in India, as the Equity Shares are expected to be, are subject to a service tax at a rate of 10% (plus applicable education cess and applicable secondary and higher education cess). The stockbroker is responsible for collecting the service tax and paying it to the relevant authority.

The Finance Act, 2008 has brought services provided by recognized stock exchanges, recognized associations and registered associations commonly known as commodity exchanges and processing and clearing houses under the preview of the service tax regime.

Certain U.S. Federal Income Tax Considerations

To ensure compliance with United States Treasury Department Circular 230, investors are hereby notified that: (i) any discussion of United States federal tax issues in this document is not intended or written by us to be relied upon, and cannot be relied upon by investors, for the purpose of avoiding penalties that may be imposed on investors under the United States Internal Revenue Code of 1986, as amended (the "Code"); (ii) such discussion is written in connection with the promotion or marketing of the transactions or matters addressed herein by the Company and dealers, managers and underwriters; and (iii) investors should seek advice based on their particular circumstances from their own independent tax advisors. Counsel does not intend to be, and is not, engaged in the promotion or marketing of the transactions or matters described in this Offering Memorandum and no inference to the contrary shall be implied by reason of the disclosures set forth in this section.

The following is a discussion of certain material U.S. federal income tax consequences of purchasing, owning and disposing of Equity Shares. This summary does not describe U.S. federal estate and gift tax

consideration or any state and local tax considerations within the United States, and does not purport to be a comprehensive description of all of the U.S. tax considerations that may be relevant to a particular person's decision to acquire Equity Shares.

YOU SHOULD CONSULT YOUR OWN TAX ADVISORS CONCERNING THE U.S. FEDERAL, STATE, LOCAL AND FOREIGN TAX CONSEQUENCES OF PURCHASING, OWNING AND DISPOSING OF EQUITY SHARES IN YOUR PARTICULAR SITUATION.

The discussion applies to you only if you acquire the Equity Shares in this Issue and you hold the Equity Shares as capital assets for tax purposes (generally, for investment). This section does not apply to you if you are a member of a special class of holders subject to special tax rules, including:

- a broker
- a dealer in securities or foreign currencies;
- a trader in securities that elects to use a mark-to-market method of accounting for your securities holdings;
- a bank or other financial institution;
- a tax-exempt organization;
- an insurance company;
- a regulated investment company;
- an investor who is a U.S. expatriate;
- a mutual fund;
- an individual retirement or other tax-deferred account;
- a holder liable for alternative minimum tax;
- a holder that actually or constructively owns 10% or more, by voting power, of the Company's voting stock;
- a partnership or other pass-through entity for U.S. federal income tax purposes;
- a holder that holds Equity Shares as part of a straddle, hedging, constructive sale, conversion or other integrated transaction for U.S. federal income tax purposes; or
- a U.S. holder whose functional currency is not the U.S. Dollar.

This section is based on the Code, existing and proposed income tax regulations issued under the Code, legislative history, and judicial and administrative interpretations thereof, all as of the date hereof. All of the foregoing are subject to change at any time, and any change could be retroactive and could affect the accuracy of this discussion. In addition, the application and interpretation of certain aspects of the passive foreign investment company rules, referred to below, require the issuance of regulations which in many instances have not been promulgated and which may have retroactive effect. There can be no assurance that any of these regulations will be enacted or promulgated, and if so, the form they will take or the effect that they may have on this discussion. This discussion is not binding on the U.S. Internal Revenue Service ("IRS") or the courts. No ruling has been or will be sought from the IRS with respect to the positions and

issues discussed herein, and there can be no assurance that the IRS will not take a different position concerning the U.S. federal income tax consequences of an investment in the Equity Shares or that any such position would not be sustained.

You are a “U.S. holder” if you are a beneficial owner of Equity Shares and you are:

- a citizen or resident of the United States;
- a U.S. domestic corporation, or other entity treated as a domestic corporation for U.S. federal income tax purposes;
- an estate whose income is subject to U.S. federal income tax regardless of its source; or
- a trust if (1) a U.S. court can exercise primary supervision over the trust’s administration and one or more U.S. persons are authorized to control all substantial decisions of the trust or (2) has a valid election in effect under applicable U.S. Treasury regulations to be treated as a U.S. person.

In addition, this discussion is limited to U.S. holders who are not resident in India for purposes of the Income Tax Treaty between the United States and India.

If a partnership (including for this purpose any entity treated as a partnership for U.S. federal income tax purposes) is a beneficial owner of the Equity Shares, the U.S. tax treatment of a partner in the partnership generally will depend on the status of the partner and the activities of the partnership. A holder of the Equity Shares that is a partnership and partners in such a partnership should consult their own tax advisors concerning the U.S. federal income tax consequences of purchasing, owning and disposing of Equity Shares.

A “non-U.S. holder” is a beneficial owner of Equity Shares that is not a U.S. holder for U.S. federal income tax purposes.

The Company believes that it will not be a passive foreign investment company, or PFIC, for U.S. federal income tax purposes for the current taxable year. However, no assurance can be given that the Company will not be considered a PFIC in the current or future years. The determination whether or not the Company is a PFIC is a factual determination that is made annually based on the types of income it earns and the value of its assets. If the Company was currently or were to become a PFIC, U.S. holders of Equity Shares would be subject to special rules and a variety of potentially adverse tax consequences under the Code.

Taxation of Dividends

U.S. Holders. Subject to the passive foreign investment company rules below, if you are a U.S. holder you must include in your gross income the gross amount of any distributions of cash or property (other than certain pro rata distributions of Equity Shares) with respect to Equity Shares, to the extent the distribution is paid by the Company out of its current or accumulated earnings and profits, as determined for U.S. federal income tax purposes. A U.S. holder will include the dividend income at the time of actual or constructive receipt. Distributions in excess of current and accumulated earnings and profits, as determined for U.S. federal income tax purposes, will be treated as a non-taxable return of capital to the extent of your basis in the Equity Shares and thereafter as capital gain. Notwithstanding the foregoing, the Company does not intend to maintain calculations of its earnings and profits as determined for U.S. federal income tax purposes. Consequently, distributions generally will be reported as dividend income for U.S. information reporting purposes.

You should not include the amount of any Indian tax paid by the Company with respect to the dividend payment, as that tax is, under Indian law, a liability of the Company and not the shareholders, unless you are a U.S. corporation that owns 10% or more of the voting stock of the Company and also claims a foreign

tax credit against your U.S. tax liability for your share of income taxes paid by the Company. The dividend is ordinary income that you must include in income when you receive the dividend, actually or constructively.

Subject to the passive foreign investment company rules described below, dividends received by U.S. holders who are individuals (and certain trusts and estates) during taxable years beginning before January 1, 2011 will be taxed at a maximum rate of 15%, where certain holding period and other requirements are satisfied, if such dividends constitute qualified dividend income. “Qualified dividend income” includes dividends paid by a “qualified foreign corporation,” and we believe that we are, and will continue to be, a qualified foreign corporation. The dividend will not be eligible for the dividends-received deduction generally allowed to U.S. corporations in respect of dividends received from other U.S. corporations.

Dividends received generally will be income from non-U.S. sources, which may be relevant in calculating your U.S. foreign tax credit limitation. Such non-U.S. source income generally will be “passive category income”, or in certain cases “general category income”, which is treated separately from other types of income for purposes of computing the foreign tax credit allowable to you. You should consult your own tax advisor to determine the foreign tax credit implications of owning the Equity Shares.

The amount of the dividend distribution that you must include in your income as a U.S. holder will be the U.S. Dollar value of the Indian Rupee payments made, determined at the spot Indian Rupee/U.S. Dollar exchange rate on the date the dividend distribution is includible in your income, regardless of whether the payment is in fact converted into U.S. Dollars. Generally, any gain or loss resulting from currency exchange fluctuations during the period from the date you include the dividend payment in income to the date you convert the payment into U.S. Dollars will be treated as ordinary income or loss. The gain or loss generally will be income or loss from sources within the United States for foreign tax credit limitation purposes.

Non-U.S. Holders. Dividends paid to non-U.S. holders generally will not be subject to U.S. income tax unless the dividends are “effectively connected” with your conduct of a trade or business within the United States, and the dividends are attributable to a permanent establishment (or in the case of an individual, a fixed place of business) that you maintain in the United States if that is required by an applicable income tax treaty as a condition for subjecting you to U.S. taxation on a net income basis. In such cases you generally will be taxed in the same manner as a U.S. holder. If you are a corporate non-U.S. holder, “effectively connected” dividends may, under certain circumstances, be subject to an additional “branch profits tax” at a 30% rate or a lower rate if you are eligible for the benefits of an income tax treaty that provides for a lower rate.

Taxation of Capital Gains

U.S. Holders. Subject to the passive foreign investment company rules discussed below, if you are a U.S. holder and you sell, exchange or otherwise dispose of your Equity Shares, you will generally recognize capital gain or loss for U.S. federal income tax purposes equal to the difference between the U.S. Dollar value of the amount that you realize and your tax basis, determined in U.S. Dollars, in your Equity Shares. Gain or loss recognized on such a sale, exchange or other disposition of Equity Shares generally will be long-term capital gain if the U.S. holder has held the Equity Shares for more than one year. Prior to January 1, 2011, long-term capital gains of U.S. holders who are individuals (as well as certain trusts and estates) holder are generally taxed at a maximum rate of 15%. The gain or loss will generally be income or loss from sources within the United States for foreign tax credit limitation purposes, unless it is attributable to an office or other fixed place of business outside the United States and certain other conditions are met. Your ability to deduct capital losses is subject to limitations.

Non-U.S. Holders. If you are a non-U.S. holder, you will not be subject to U.S. federal income tax on gain recognized on the sale, exchange or other disposition of your Equity Shares unless:

- the gain is “effectively connected” with your conduct of a trade or business in the United States, and the gain is attributable to a permanent establishment (or in the case of an individual, a fixed place of business) that you maintain in the United States if that is required by an applicable income tax treaty as a condition for subjecting you to U.S. taxation on a net income basis; or
- you are an individual, you are present in the United States for 183 or more days in the taxable year of such sale, exchange or other disposition and certain other conditions are met.

In the first case, the non-U.S. holder will be taxed in the same manner as a U.S. holder. In the second case, the non-U.S. holder will be subject to U.S. federal income tax at a rate of 30% on the amount by which such the non-U.S. holder’s U.S.-source capital gains exceed such non-U.S.-source capital losses.

If you are a corporate non-U.S. holder, “effectively connected” gains that you recognize may also, under certain circumstances, be subject to an additional “branch profits tax” at a 30% rate or at a lower rate if you are eligible for the benefits of an income tax treaty that provides for a lower rate.

Tax Reporting

A U.S. holder generally will be required to file an IRS Form 926 (Return by a U.S. Transferor of Property to a Foreign Corporation) if: (i) the U.S. holder purchases Equity Shares from the Company in an aggregate amount greater than US\$100,000 over a 12-month period, or (ii) the U.S. holder purchases Equity Shares from the Company and owns directly or indirectly 10 percent or more of the total voting power or total value of the Company immediately after the purchase. Substantial penalties may be imposed on a U.S. Holder failing to comply with this reporting requirement. In addition, depending on your particular circumstances, you may be required to file certain other IRS information returns with respect to an investment in Equity Shares. Each U.S. Holder is urged to consult with its own tax advisor regarding their own particular circumstances in respect of these reporting obligations.

Passive Foreign Investment Company Considerations

The Code provides special, generally adverse, rules regarding certain distributions received by U.S. persons with respect to, and sales, exchanges and other dispositions, including pledges, of shares of stock in a passive foreign investment company (“PFIC”). A foreign corporation will be treated as a PFIC for any taxable year in which either: (i) at least 75 percent of its gross income is “passive income” or (ii) at least 50 percent of its gross assets during the taxable year, based on a quarterly average and generally by value, which produce passive income or are held for the production of passive income. Passive income for this purpose generally includes, among other things, dividends, interest, rents, royalties, gains from commodities and securities transactions, and gains from assets that produce passive income. In determining whether a foreign corporation is a PFIC, a pro rata portion of the income and assets of each corporation in which it owns, directly or indirectly, at least a 25% interest (by value) is taken into account.

The Company does not believe that it should be treated as, and does not expect to become, a PFIC for U.S. federal income tax purposes but the Company’s possible status as a PFIC must be determined annually and therefore may be subject to change. However, because this determination is made annually at the end of each taxable year and is dependent upon a number of factors, some of which are beyond the Company’s control, including whether the Company continues to earn substantial amounts of operating income, as well as on the market valuation of the Company’s assets and the Company’s spending schedule for its cash balances and the proceeds of the Issue, and because certain aspects of the PFIC rules are not entirely certain, there can be no assurance that the Company will not become a PFIC or that the IRS will agree with our conclusion regarding our PFIC status.

A U.S. stockholder that holds stock in a foreign corporation during any taxable year in which the corporation qualifies as a PFIC is subject to special tax rules with respect to (a) any gain realized on the sale, exchange or other disposition of the stock and (b) any “excess distribution” by the corporation to the stockholder, unless the stockholder elects to treat the PFIC as a “qualified electing fund” (“QEF”) or makes

a “mark-to-market” election, each as discussed below. An “excess distribution” is that portion of a distribution with respect to PFIC stock that exceeds 125% of the average of such distributions over the preceding three-year period or, if shorter, the stockholder’s holding period for its shares. Excess distributions and gains on the sale, exchange or other disposition of stock of a corporation which was a PFIC at any time during the U.S. stockholder’s holding period are allocated ratably to each day of the U.S. stockholder’s holding period. Amounts allocated to the current taxable year and any taxable year in which the Company was not a PFIC will be taxed as ordinary income (rather than capital gain) earned in the current taxable year. Amounts allocated to other years are taxed at the highest ordinary income tax rates in effect for those years, and the tax for each such prior year is subject to an interest charge at the rate applicable to income tax deficiencies. The preferential U.S. federal income tax rates for dividends and long-term capital gain of individual U.S. holders (as well as certain trusts and estates) would not apply, and special rates would apply for calculating the amount of the foreign tax credit with respect to excess distributions. In addition, a U.S. stockholder who acquires shares in a PFIC from a decedent generally will not receive a “stepped-up” fair market value tax basis in such shares but, instead, will receive a tax basis equal to the decedent’s basis, if lower.

If a corporation is a PFIC for any taxable year during which a U.S. stockholder holds shares in the corporation, then the corporation generally will continue to be treated as a PFIC with respect to the stockholder’s shares, even if the corporation no longer satisfies either the passive income or passive assets test described above, unless the U.S. stockholder terminates this deemed PFIC status by electing to recognize gain, which will be taxed under the excess distribution rules as if such shares had been sold on the last day of the last taxable year for which the corporation was a PFIC.

The excess distribution rules may be avoided if a U.S. stockholder makes a QEF election effective beginning with the first taxable year in the stockholder’s holding period in which the corporation is a PFIC. A U.S. stockholder that makes a QEF election is required to include in income its pro rata share of the PFIC’s ordinary earnings and net capital gain as ordinary income and long-term capital gain, respectively, subject to a separate election to defer payment of taxes, which deferral is subject to an interest charge. A U.S. stockholder whose QEF election is effective after the first taxable year during the stockholder’s holding period in which the corporation is a PFIC (an “unpedigreed QEF election”) will continue to be subject to the excess distribution rules for years beginning with such first taxable year for which the QEF election is effective. Although an option to acquire PFIC stock generally is treated as PFIC stock for purposes of the excess distribution rules, a QEF election with respect to a stockholder’s shares will not apply to the stockholder’s options. If a stockholder that owns PFIC shares subject to the QEF election acquires additional shares pursuant to the exercise of an option, the additional shares will be subject to the QEF election, but the election may be an unpedigreed QEF election with respect to those shares.

In general, a U.S. stockholder makes a QEF election by attaching a completed IRS Form 8621 to a timely filed (taking into account extension) U.S. federal income tax return for the year beginning with which the QEF election is to be effective. In certain circumstances, a U.S. stockholder may be able to make a retroactive QEF election. A QEF election can be revoked only with the consent of the IRS. In order for a U.S. stockholder to make a valid QEF election, the corporation must annually provide or make available to the stockholder certain information. The Company does not intend to provide to U.S. stockholders the information required to make a valid QEF election and the Company makes no undertaking to provide such information if it is a PFIC.

As an alternative to making a QEF election, a U.S. stockholder may make a “mark-to-market” election with respect to its PFIC shares if the shares meet certain minimum trading requirements. A U.S. stockholder that makes a mark-to-market election will be required to include in income each year an amount equal to the excess of the fair market value of the shares that the stockholder owns as of the close of the taxable year over the stockholder’s adjusted tax basis in the shares. The U.S. stockholder will be entitled to a deduction for the excess, if any, of the stockholder’s adjusted tax basis in the shares over the fair market value of the shares as of the close of the taxable year; provided, however, that the deduction will be limited to the extent of any net mark-to-market gains with respect to the shares included by the U.S. stockholder under the election for prior taxable years. The U.S. stockholder’s basis in the shares will be adjusted to reflect the amounts included or deducted pursuant to the election. Amounts included in income pursuant to a

mark-to-market election, as well as gain on the sale, exchange or other disposition of the shares, will be treated as ordinary income. The deductible portion of any mark-to-market loss, as well as loss on a sale, exchange or other disposition of shares to the extent that the amount of such loss does not exceed net mark-to-market gains previously included in income, will be treated as ordinary loss.

The mark-to-market election applies to the taxable year for which the election is made and all subsequent taxable years, unless the shares cease to meet applicable trading requirements (described below) or the IRS consents to its revocation. The excess distribution rules generally do not apply to a U.S. stockholder for tax years for which a mark-to-market election is in effect. However, if a U.S. stockholder makes a mark-to-market election for PFIC stock after the beginning of the stockholder's holding period for the stock, a coordination rule applies to ensure that the stockholder does not avoid the tax and interest charge with respect to amounts attributable to periods before the election.

A mark-to-market election is available only if the shares are considered "marketable" for these purposes. Shares will be marketable if they are regularly traded on certain U.S. stock exchanges or on certain non U.S. stock exchanges. For these purposes, shares will be considered regularly traded during any calendar year during which they are traded, other than in negligible quantities, on at least 15 days during each calendar quarter. Any trades that have as their principal purpose meeting this requirement will be disregarded. The Company believes a mark-to-market election will be available provided the shares are regularly traded, but each U.S. stockholder should ask its own tax advisor whether a mark-to-market election is available or desirable.

A U.S. stockholder of a PFIC must file an IRS Form 8621 annually regardless of whether or not it makes a QEF election or a mark-to-market election.

U.S. holders are urged to consult their tax advisors as to the effect on them of the PFIC rules and the desirability of making, and the availability of, either a QEF election or a mark-to-market election with respect to our ordinary shares. The Company provides no advice on taxation matters.

Backup Withholding and Information Reporting

In general, information reporting requirements will apply to dividends in respect of Equity Shares or the proceeds received on the sale, exchange, redemption or other disposition of Equity Shares paid within the United States (and, in certain cases, outside the United States) to U.S. holders other than certain exempt recipients, such as corporations, and backup withholding tax may apply to such amounts if the U.S. holder fails to provide an accurate taxpayer identification number (or otherwise establishes, in the manner provided by law, an exemption from backup withholding) or to report dividends required to be shown on the U.S. holder's U.S. federal income tax returns.

Backup withholding is not an additional income tax, and the amount of any backup withholding from a payment to a U.S. holder will be allowed as credit against the U.S. holder's U.S. federal income tax liability provided that the appropriate returns are filed.

A non-U.S. holder generally may eliminate the requirement for information reporting and backup withholding by providing certification of its foreign status to the payor, under penalties of perjury, on IRS Form W-8BEN. You should consult your own tax advisor as to the qualifications for exemption from backup withholding and the procedures for obtaining the exemption.

The foregoing does not purport to be a complete analysis of the potential tax considerations relating to the Issue, and is not tax advice. Prospective investors should consult their own tax advisors as to the particular tax considerations applicable to them relating to the purchase, ownership and disposition of the Equity Shares, including the applicability of the U.S. federal, state and local tax laws or non-tax laws, any changes in applicable tax laws and any pending or proposed legislation or regulations.

PLAN OF DISTRIBUTION

Underwriting Agreement

The Company and the Underwriters have entered into an underwriting agreement dated December 16, 2009 (the “Underwriting Agreement”), pursuant to which the Underwriters have agreed, severally and not jointly, to underwrite that portion of this Issue in respect of which Bids have been procured by each of the Underwriters and for which the Bidders have been allocated Equity Shares in this Issue, subject to (i) a maximum underwriting commitment of all the Underwriters as specified in the Underwriting Agreement, and (ii) certain termination events and closing conditions as specified in the Underwriting Agreement, including subscription by and allotment to Qualified Institutional Buyers (as defined in the attached Prospectus) of at least 60% of the Issue. Accordingly, for that portion of this Issue in respect of which Bids have been procured by each of them, the Underwriters have agreed that:

- with respect to the U.S. Issue, they will use reasonable endeavors to procure purchasers for the Equity Shares who are “qualified institutional buyers” (as defined in Rule 144A under the U.S. Securities Act) in reliance on Rule 144A, and failing that, shall purchase themselves, Equity Shares in respect of which Bids have been procured by them and for which the Bidders have been allocated Equity Shares in this Issue; and
- with respect to the Indian Public Issue and the Global Issue, they will use reasonable endeavors to procure purchasers for the Equity Shares in transactions meeting the requirements of Regulation S and failing that, shall purchase themselves, Equity Shares in respect of which Bids have been procured by them and for which the Bidders have been allocated Equity Shares in this Issue.

The Equity Shares have not been and will not be registered under the U.S. Securities Act or any state securities laws in the United States and may not be offered or sold within the United States, except pursuant to an exemption from, or a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable U.S. state securities laws. Accordingly, the Equity Shares are being offered and sold only (1) in the United States to “qualified institutional buyers” as defined in Rule 144A, and (2) outside the United States in compliance with Regulation S and the applicable laws of the jurisdiction where those offers and sales occur. Prospective purchasers that are qualified institutional buyers as defined in Rule 144A are hereby notified that the seller of Equity Shares may be relying on the exemption from the provisions of Section 5 of the U.S. Securities Act provided by Rule 144A. This Issue will also be in compliance with applicable SEBI Regulations. The Equity Shares are not transferable except in accordance with the restrictions described under “Transfer Restrictions” in this Offering Memorandum and except in compliance with applicable Indian laws, regulations, rules and guidelines described under “Regulations and Policies” in the attached Prospectus.

Subject to certain conditions, the Company has agreed to indemnify the Underwriters against certain liabilities, including liabilities under U.S. securities laws or to contribute to payments that the Underwriters may be required to make because of any of those liabilities.

Any offers or sales of the Equity Shares in the United States will be made by broker-dealers who are registered as such under the U.S. Securities Exchange Act.

For more information on the Underwriting Agreement, see “General Information—Underwriting Agreement” in the attached Prospectus.

Indicative Timetable for Listing

The Indian Public Issue will be conducted through a “100% book building process” pursuant to which the Underwriters will accept bids for the Equity Shares during the Bidding/Issue Period. The Bidding/Issue Period will commenced on December 6, 2009 and expired on December 11, 2009. Following the expiration of the Bidding/Issue Period, the Company will, in consultation with the GCBRLMs and the BRLMs,

determine the Issue Price and the Issue size, and, in consultation with the GCBRLMs and the BRLMs, will determine the basis of allocation and entitlement to allotment based on the bids received and subject to the confirmation by the BSE. Successful bidders will then be provided with a CAN and will be required to pay any unpaid amount for the Equity Shares within a prescribed time. The Prospectus will then be filed with the Registrar of Companies and made available to investors.

SEBI Regulations require the Company to complete the allotment to successful bidders within 15 days of the expiration of the Bidding/Issue Period. The Equity Shares will then be credited and allotted to the investors' demat accounts maintained with the relevant depository participants. Upon receipt of final listing and trading approval of the Stock Exchanges, the Equity Shares will be listed and trading will commence. This takes approximately seven working days from the date on which crediting the investors' demat accounts commences, subject to final approval by the Stock Exchanges.

An indicative timetable is set out below in respect of this Issue:

Event	Indicative Date
Expiration of the Bidding/Issue Period.....	December 11, 2009
Pricing.....	December 11, 2009
Equity Shares credited to the investor's demat account*	On or before December 24, 2009
Trading commences	On or before January 5, 2010

* Subject to receipt of a revised CAN, represents the last date of the pay-in period for those investors who have been permitted by the Underwriters to make a payment of margin money of an amount not less than 10% of the application money at the expiration of the Bidding/Issue Period. The date will be set forth in the CAN sent to such investors subject to what is stated under "Notice to QIBs: Allotment Reconciliation and Revised CANs" hereinbelow. Amounts paid by investors will be credited into the Escrow Account (as defined in the attached Prospectus) and would be transferred to the Public Issue Account (as defined in the attached Prospectus) immediately prior to allotment of the Equity Shares. The meeting of the Board (as defined in the attached Prospectus) for allotment of the Equity Shares is expected to occur on or about December 23, 2009 and the credit of Equity Shares into the respective depository accounts of the investors will commence on the same day.

The above timetable is indicative only as it assumes that the date of listing of the Equity Shares offered for the proposed public Issue on the BSE and the NSE is on or before, January 5, 2010. The commencement of trading of the Equity Shares will be entirely at the discretion of such stock exchanges.

The Company has obtained in-principle approvals for the listing and quotation of the Equity Shares on the BSE and the NSE pursuant to letters dated October 30, 2009 and November 23, 2009, respectively.

Notice to QIBs: Allotment Reconciliation and Revised CANs

After the Bid/Issue Closing Date, an electronic book will be prepared by the Registrar on the basis of Bids uploaded on the BSE/NSE system. Based on the electronic book, QIBs will be sent a CAN, indicating the number of Equity Shares that may be allocated to them. This CAN is subject to the basis of final Allotment, which will be approved by the Designated Stock Exchange and reflected in the reconciled book prepared by the Registrar. Subject to SEBI Regulations, certain Bid applications may be rejected due to technical reasons, including non-receipt of funds, cancellation of cheques, cheque bouncing and incorrect details, and these rejected applications will be reflected in the reconciliation and basis of Allotment as approved by the

Designated Stock Exchange. As a result, a revised CAN may be sent to QIBs and the allocation of Equity Shares in such revised CAN may be different from that specified in the earlier CAN. QIBs should note that they may be required to pay additional amounts, if any, by the Pay-in Date specified in the revised CAN, for any increased allocation of Equity Shares. The CAN will constitute the valid, binding and irrevocable contract (subject only to the issue of a revised CAN) for the QIB to pay the entire Issue Price for all the Equity Shares allocated to such QIB. The revised CAN, if issued, will supersede in entirety the earlier CAN.

Sale Restrictions

Indian regulations require that 20% of an issuer's post-issue share capital held by its promoters cannot be sold or transferred for a period of three years after the date of allotment of the equity shares sold in the Issue. For details of our Promoter's contribution locked-in for three years, please read "Capital Structure – Promoter's Contribution and Lock-In in the attached Prospectus.

Notwithstanding the foregoing, our Promoter is entitled to pledge his Equity Shares with banks and financial institutions as collateral security for loans granted by such banks or financial institutions, subject to certain conditions. For more information, see "Capital Structure" in the attached Prospectus.

In addition, the entire pre-Issue equity share capital of the Company constituting 60,420,259 Equity Shares will be locked-in for a period of one year from the date of Allotment in the Issue.

Other Relationships

The Underwriters and their respective affiliates have performed and may in the future perform investment banking, commercial banking or advisory services for the Company from time to time for which they have received or will receive customary fees and expenses. In addition, any Underwriter may, from time to time, engage in transactions with and perform services for the Company in the ordinary course of business.

LEGAL MATTERS

Certain matters of Indian law with respect to this Issue will be passed upon on behalf of the Company by Amarchand & Mangaldas & Suresh A. Shroff & Co. Certain matters of Indian law with respect to this Issue will be passed upon on behalf of the Underwriters by Luthra & Luthra Law Offices. Certain matters of U.S. federal law with respect to this Issue will be passed upon on behalf of the Underwriters by Jones Day. Jones Day may rely upon Luthra & Luthra Law Offices with respect to certain matters of Indian law.

OUR AUDITORS

The restated and consolidated financial statements of the Company for the fiscal years ended March 31, 2009, 2008, 2007, 2006 and 2005 and for the period ended September 30, 2009 have been prepared in accordance with Indian GAAP and the Companies Act and restated in accordance with SEBI Regulations. Related clarifications in connection with these financial statements issued by the SEBI and included in the Prospectus, have been examined by Kalyaniwala & Mistry, chartered accountants and statutory auditors of the Company, as stated in their report, which appears in the Prospectus.

SECTION I: GENERAL

DEFINITIONS AND ABBREVIATIONS

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

Company Related Terms

Term	Description
Articles or Articles of Association	Articles of Association of our Company
Auditors	The statutory auditors of our Company, M/s. Kalyaniwalla & Mistry, Chartered Accountants
Board/ Board of Directors	Board of directors of our Company or committees constituted thereof
Confirming Party	Arrangements by the Company with the owner of the land for which an initial in-principle understanding is entered between the Company and the owner of land. Subsequently the final land agreements are entered into between the land owner, Subsidiary of the Company and the Company as confirming party.
Developable Area	Total area which we develop in each project, and includes carpet area, common area, service and storage area, as well as other open area, including car parking
Directors	Directors on the Board of our Company, as may be appointed from time to time, unless otherwise specified
Forthcoming Projects	Projects for which (i) land has been acquired or a memorandum of understanding or development agreement has been executed; (ii) conversion from agricultural land has been completed, if necessary, or an application for change in status to non-agricultural/commercial/residential use has been submitted to the relevant authority and (iii) internal project development plans are complete
Key Management Personnel	Those individuals described in “Our Management – Key Management Personnel” on page 152 of this Prospectus
Land Reserves	Lands to which our Company has title, or land from which the Company can derive the economic benefit through a documented framework (such as with third party individuals or corporate entities), or where the Company has executed a joint development agreement or an agreement to sell or an MoU or an agreement to transfer the development rights to it
Memorandum or Memorandum of Association	Memorandum of Association of our Company

Term	Description
Ongoing Projects	Projects for which approval for construction has been granted by the relevant authority
Promoters	Godrej & Boyce Manufacturing Company Limited and Godrej Industries Limited
Promoter Group	Unless the context otherwise specifies, refers to those entities mentioned in the section titled “Our Promoters and Promoter Group” on page 155 of this Prospectus
Registered and Corporate Office of our Company	The registered office of the Company is located at Godrej Bhavan, 4 th Floor, 4A, Home Street, Fort, Mumbai – 400 001
Saleable Area	That part of the Developable Area relating to our economic interest in each project
Subsidiary(ies)	Godrej Realty Private Limited, Godrej Waterside Properties Private Limited, Godrej Developers Private Limited, Godrej Real Estate Private Limited, Godrej Sea View Properties Private Limited, Happy Highrises Limited and Godrej Estate Developers Private Limited

Issue Related Terms

Term	Description
Allotment/ Allot/ Allotted	Unless the context otherwise requires, the allotment of Equity Shares pursuant to the Issue
Allottee	A successful Bidder to whom the Equity Shares are Allotted
Anchor Investor	A Qualified Institutional Buyer, applying under the Anchor Investor category, with a minimum Bid of Rs. 10 Crores
Anchor Investor Bid/ Issue Period	The day one day prior to the Bid/Issue Opening Date on which Bidding by Anchor Investors shall open and shall be completed, i.e., December 8, 2009.
Anchor Investor Issue Price	The final price at which Equity Shares will be issued and Allotted to Anchor Investors in terms of the Red Herring Prospectus and Prospectus, which price will be equal to or higher than the Issue Price but not higher than the Cap Price. The Anchor Investor Issue Price was decided by the Company in consultation with the BRLMs at Rs. 530 per Equity Share
Anchor Investor Margin Amount	An amount representing 25% of the Bid Amount payable by Anchor Investors at the time of submission of their Bid
Anchor Investor Portion	Up to 30% of the QIB Portion which may be allocated by the 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. The Company has allocated 1,697,345 Equity Shares or 30 % of the QIB Portion to Anchor Investors at the Anchor Investor Issue Price on a discretionary basis
Application Supported by Blocked Amount/ ASBA	An application, whether physical or electronic, used by a Resident Retail Individual Bidder to make a Bid authorising a SCSB to block the Bid Amount in their specified bank account maintained with the SCSB
ASBA Bidder	Any Resident Retail Individual Bidder who intends to apply through ASBA

Term	Description
	and, (a) is bidding at Cut-off Price, with single option as to the number of shares; (b) is applying through blocking of funds in a bank account with the SCSB; (c) has agreed not to revise his/her bid; and (d) is not bidding under any of the reserved categories
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 Public Issue Account	A bank account of the Company, under Section 73 of the Companies Act where the funds shall be transferred by the SCSBs from the bank accounts of the ASBA Bidders
Banker(s) to the Issue / Escrow Collection Bank(s)	The banks registered with SEBI as Banker to the Issue with whom the Escrow Account will be opened, in this case being KMBL, ICICI, SBI, IDBI, HSBC and HDFC.
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 392 of the Prospectus
Bid	An indication to make an offer during the Bidding/Issue Period by a prospective investor to subscribe to the Equity Shares of the Company at a price within the Price Band, including all revisions and modifications thereto For the purposes of ASBA Bidders, it means an indication to make an offer during the Bidding Period by a Retail Resident Individual Bidder to subscribe to the Equity Shares of the Company at Cut-off Price
Bid Amount	The highest value of the optional Bids indicated in the Bid cum Application
Bid / Issue Closing Date	The date after which the members of the Syndicate will not accept any Bids for the Issue, which shall be notified in an English national newspaper, a Hindi national newspaper and a Marathi newspaper with wide circulation
Bid / Issue Opening Date	The date on which the members of the Syndicate shall start accepting Bids for the Issue, which shall be the date notified in an English national newspaper, a Hindi national newspaper and a Marathi newspaper with wide circulation
Bid cum Application Form	The form used by a Bidder to make a Bid and which will be considered as the application for Allotment for the purposes of the Red Herring Prospectus and the Prospectus
Bidder	Any prospective investor who makes a Bid pursuant to the terms of the Red Herring Prospectus and the Bid cum Application Form, 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	The book building route as provided in Schedule XI of the SEBI 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 IDFC-SSKI Limited and Nomura Financial Advisory and Securities (India) Private Limited
Business Day	Any day on which commercial banks in Mumbai are open for business

Term	Description
CAN/ Confirmation of Allocation Note	The note or advice or intimation of allocation of Equity Shares sent to the Bidders who have been allocated Equity Shares after discovery of the Issue Price in accordance with the Book Building Process, including any revision thereof In relation to Anchor Investors, the note or advice or intimation of allocation of Equity Shares sent to the successful Anchor Investors who have been allocated 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
Controlling Branches	Such branches of the SCSB which coordinates with the GCBRLMs, the BRLMs, the Registrar to the Issue and the Stock Exchanges
Cut-off Price	Issue Price, finalised by the Company in consultation with the GCBRLMs and the BRLMs. Only Retail Individual Bidders whose Bid Amount does not exceed Rs. 100,000 are entitled to Bid at the Cut Off Price. QIBs and Non-Institutional Bidders are not entitled to Bid at the Cut-off Price.
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 after the Prospectus is filed with the RoC, following which the Board of Directors shall Allot Equity Shares to successful Bidders
Designated Stock Exchange	The Bombay Stock Exchange Limited
DP ID	Depository Participant's Identity
Draft Red Herring Prospectus or DRHP	The red herring prospectus dated November 26, 2009 issued in accordance with Section 60B of the Companies Act and SEBI Regulations, filed with SEBI and which does not contain complete particulars of the price at which the Equity Shares are issued and the size of the Issue
Eligible NRI	NRIs from jurisdictions outside India where it is not unlawful to make an offer or invitation under the Issue and in relation to whom the Red Herring Prospectus constitutes an invitation to subscribe to the Equity Shares
Equity Shares	Equity Shares of the Company 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 the Company, the Registrar to the Issue, the GCBRLMs, 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

Term	Description
Floor Price	The lower end of the Price Band, at or above which the Issue Price will be finalized and below which no Bids will be accepted
GCBRLMs / Global Co-ordinators and Book Running Lead Managers	Global Co-ordinators and Book Running Lead Managers to the Issue, in this case being ICICI Securities Limited and Kotak Mahindra Capital Company Limited
HDFC	HDFC Bank Limited, a company incorporated under the Companies Act and having its registered office at 1201, Raheja Centre, Free Press Journal Marg, Nariman Point, Mumbai 400 021
HSBC	The Hongkong and Shanghai Banking Corporation Limited, a company incorporated under the Companies Act and having its registered office at Shiv Building, Plot No. 139-140B, Western Express Highway, Sahar Road Junction, Vile Parle (E), Mumbai 400 057
IDFC – SSKI	IDFC – SSKI Limited, a company incorporated under the Companies Act and having its registered office at 803-4, Tulsiani Chambers, 8 th Floor, Nariman Point, Mumbai 400 021
ICICI	ICICI Bank Limited, a company incorporated under the Companies Act and having its registered office at 30, Mumbai Samachar Marg, Fort, Mumbai 400 001
IDBI	IDBI Bank Limited, a company incorporated under the Companies Act and having its registered office at Unit No. 2, Corporate Park, Near Swastik Chambers, Sion-Trombay Road, Chembur, Mumbai 400 071
I-Sec	ICICI Securities Limited, a company incorporated under the Companies Act and having its registered office at ICICI Centre, H. T. Parekh Marg, Churchgate, Mumbai 400 020
Issue	Public issue of 9,429,750 Equity Shares of Rs. 10 each of the Company where 16,97,345 Equity Shares were issued for cash at a price of Rs. 530 per Equity Share (including a share premium of Rs.520 per Equity Share) and 77,32,405 Equity Shares were issued for cash at a price of Rs. 490 per Equity Share (including a share premium of Rs.480 per Equity Share) collectively aggregating to Rs. 468.85 crores.
Issue Price	The final price at which Equity Shares will be Allotted in the Issue in terms of the Red Herring Prospectus and Prospectus. The Issue Price will be decided by the Company in consultation with the GCBRLMs and the BRLMs on the Pricing Date
Issue Proceeds	The proceeds of the Issue that are available to the Company
Kotak/KMCC	Kotak Mahindra Capital Company Limited, a company incorporated under the Companies Act and having its registered office at 3rd Floor, Bakhtawar, 229, Nariman Point, Mumbai 400 021
KMBL	Kotak Mahindra Bank Limited, a company incorporated under the Companies Act and having its registered office at Kotak Infiniti, 6 th Floor, Building No. 21, Infinity Park, Off Western Express Highway, General AK Vaidya Marg, Malad (E), Mumbai
Margin Amount	The amount paid by the Bidder at the time of submission of his/her Bid, being 10% to 100% of the Bid Amount, as applicable

Term	Description
Monitoring Agency	SICOM Limited
Mutual Funds	A mutual fund registered with SEBI under the SEBI (Mutual Funds) Regulations, 1996, as amended.
Mutual Fund Portion	5% of the QIB Portion (excluding the Anchor Investor Portion), or 282,893 Equity Shares available for allocation to Mutual Funds only, out of the QIB Portion (excluding the Anchor Investor Portion).
Net Proceeds	The Issue Proceeds less the Issue expenses. For further information about use of the Issue Proceeds and the Issue expenses see the section titled “Objects of the Issue” on page 43 of this Prospectus
Non-Institutional Bidders	All Bidders that are not QIBs or Retail Individual Bidders and who have Bid for Equity Shares for an amount more than Rs. 100,000 (but not including NRIs other than Eligible NRIs)
Non-Institutional Portion	The portion of the Issue being not less than 942,975 Equity Shares available for allocation to Non-Institutional Bidders
Non-Resident	A person resident outside India, as defined under FEMA and includes a Non Resident Indian
Pay-in Date	Bid / Issue Closing Date or the last date specified in the CAN sent to Bidders, as applicable
Pay-in-Period	The period commencing on the Bid/Issue Opening Date and extending until the closure of the Pay-in Date specified in the CAN
Price Band	Price band of a minimum price (Floor Price) of Rs. 490 per Equity Share and the maximum price (Cap Price) of Rs. 530 per Equity Share and includes revisions thereof. The price band will be decided by the Company in consultation with the Global Co-ordinators and Book Running Lead Managers and the Book Running Lead Managers and advertised at least two (2) working days prior to the Bid/Issue Opening Date in all editions of Economic Times in the English language, Mumbai and Delhi edition of Navbharat Times in the Hindi language and Mumbai edition of Maharashtra Times in the Marathi language
Pricing Date	The date on which the Company in consultation with the GCBRLMs and the BRLMs will finalize the Issue Price
Prospectus	The prospectus to be filed with the RoC after pricing in accordance with Section 60 of the Companies Act, containing, inter alia, the Issue Price that is determined at the end of the Book Building Process, the size of the Issue and certain other information
Public Issue Account	Account opened with the Bankers to the Issue to receive monies from the Escrow Account on the Designated Date
QIB Margin Amount	An amount representing at least 10% of the Bid Amount that QIBs are required to pay at the time of submitting their Bid
QIB Portion	The portion of the Issue being at least 60% of Issue or 5,657,850 Equity Shares of Rs. 10 each to be Allotted to QIBs
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, FII and sub-

Term	Description
	account registered with SEBI, other than which is a foreign corporate or foreign individual, multilateral and bilateral development financial institution, venture capital fund registered with SEBI, foreign venture capital investor registered with SEBI, state industrial development corporation, insurance company registered with Insurance Regulatory and Development Authority, provident fund with minimum corpus of Rs. 25 Crores pension fund with minimum corpus of Rs. 25 Crores and National Investment Fund set up by Government of India.
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 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)	HDFC Bank Limited, a company incorporated under the Companies Act and having its registered office at 1201, Raheja Centre, Free Press Journal Marg, Nariman Point, Mumbai 400 021
Refunds through electronic transfer of funds	Refunds through ECS, Direct Credit, NEFT, RTGS or the ASBA process, as applicable
Registrar to the Issue	Karvy Computershare Private Limited
Resident Retail Individual Investor or RRII	Retail Individual Bidder who is a person resident in India as defined in 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 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 28,28,925 Equity Shares of Rs. 10 each available for allocation to Retail Individual Bidder(s)
Revision Form	The form used by the Bidders, excluding ASBA 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)
SBI	State Bank of India, a company incorporated under the Companies Act and having its registered office at Capital Market Branch, Ground Floor, Mumbai Samachar Marg, Fort, Mumbai 400 001
SEBI Regulations	SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended from time to time
Self Certified Syndicate Bank or SCSB	A Banker to the Issue registered with SEBI, which offers the facility of ASBA and a list of which is available on http://www.sebi.gov.in/pmd/scsb.pdf
Stock Exchanges	NSE and BSE
Syndicate or members of	The GCBRLMs, the BRLMs and the Syndicate Members (if any)

Term	Description
the Syndicate	
Syndicate Agreement	The agreement to be entered into between the Syndicate and the Company in relation to the collection of Bids in this Issue (excluding Bids from the ASBA Bidders)
Syndicate Member(s)	Kotak Securities Limited, Sharekhan Limited
TRS/ Transaction Registration Slip	The slip or document issued by a member of the Syndicate to the Bidder as proof of registration of the Bid
Underwriters	The GCBRLMs, the BRLMs and the Syndicate Members
Underwriting Agreement	The agreement among the Underwriters and the Company to be entered into on or after the Pricing Date

Conventional and General Terms/ Abbreviations

Term	Description
Act or Companies Act	Companies Act, 1956 and amendments thereto
AS	Accounting Standards issued by the Institute of Chartered Accountants of India
AY	Assessment Year
BSE	Bombay Stock Exchange Limited
CAGR	Compounded Annual Growth Rate
CDSL	Central Depository Services (India) Limited
Depositories	NSDL and CDSL
Depositories Act	Depositories Act, 1996 as amended from time to time
DP/ Depository Participant	A depository participant as defined under the Depositories Act, 1996
DP ID	Depository Participant's identification
DIPP	Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India
EBITDA	Earnings Before Interest, Tax, Depreciation and Amortisation
ECS	Electronic Clearing Service
EGM	Extraordinary General Meeting
EPS	Earnings Per Share i.e., profit after tax for a fiscal year divided by the weighted average outstanding number of Equity Shares at the end of that fiscal year
FDI	Foreign Direct Investment
FEMA	Foreign Exchange Management Act, 1999 read with rules and regulations thereunder and amendments thereto
FEMA Regulations	FEMA (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000 and amendments thereto

Term	Description
FII(s)	Foreign Institutional Investors as defined under SEBI (Foreign Institutional Investor) Regulations, 1995 registered with SEBI under applicable laws in India
Financial Year/ Fiscal/ FY	Period of twelve months ended March 31 of that particular year
FIPB	Foreign Investment Promotion Board
FVCI	Foreign Venture Capital Investor registered under the Securities and Exchange Board of India (Foreign Venture Capital Investor) Regulations, 2000
GDP	Gross Domestic Product
GoI/Government	Government of India
HNI	High Net worth Individual
HUF	Hindu Undivided Family
IFRS	International Financial Reporting Standard
IT	Information Technology
ITES	Information Technology Enabled Services
I.T. Act	The Income Tax Act, 1961, as amended from time to time
Indian GAAP	Generally Accepted Accounting Principles in India
IPO	Initial Public Offering
MoU	Memorandum of Understanding
MICR	Magnetic Ink Character Recognition
NA	Not Applicable
NAV	Net Asset Value being paid up equity share capital plus free reserves (excluding reserves created out of revaluation) less deferred expenditure not written off (including miscellaneous expenses not written off) and debit balance of Profit and Loss account, divided by number of issued Equity Shares
NCR	National Capital Region
NEFT	National Electronic Fund Transfer
NOC	No Objection Certificate
NR	Non Resident
NRE Account	Non Resident External Account
NRI	Non Resident Indian, is a person resident outside India, as defined under FEMA and the FEMA (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000
NRO Account	Non Resident Ordinary Account

Term	Description
NSDL	National Securities Depository Limited
NSE	National Stock Exchange of India Limited
OCB	A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% by NRIs including overseas trusts, in which at least 60% of beneficial interest is irrevocably held by NRIs directly or indirectly as defined under Foreign Exchange Management (Transfer or Issue of Foreign Security by a Person resident outside India) Regulations, 2000. OCBs are not allowed to invest in this Issue
P/E Ratio	Price/Earnings Ratio
PAN	Permanent Account Number allotted under the Income Tax Act, 1961
PIO	Persons of Indian Origin
PLR	Prime Lending Rate
RBI	The Reserve Bank of India
RoC	The Registrar of Companies, Mumbai, Maharashtra located at Everest, 100 Marine Drive, Mumbai 400 002
RoNW	Return on Net Worth
Rs.	Indian Rupees
RTGS	Real Time Gross Settlement
SCRA	Securities Contracts (Regulation) Act, 1956, as amended from time to time
SCRR	Securities Contracts (Regulation) Rules, 1957, as amended from time to time
SEBI	The Securities and Exchange Board of India constituted under the SEBI Act, 1992
SEBI Act	Securities and Exchange Board of India Act 1992, as amended from time to time
SEBI Takeover Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997, as amended from time to time
SEZ	Special Economic Zone
SIA	Secretariat for Industrial Assistance
Stamp Act	The Indian Stamp Act, 1899
State Government	The government of a state of India
UIN	Unique Identification Number
US / USA	United States of America
US GAAP	Generally Accepted Accounting Principles in the United States of America
USD/ US\$/US Dollar	United States Dollars

Technical/Industry Related Terms

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

PRESENTATION OF FINANCIAL, INDUSTRY AND MARKET DATA

Financial Data

Unless stated otherwise, the financial data in this Prospectus is derived from the restated financial statements of the Company, prepared in accordance with Indian GAAP and the SEBI Regulations, which are included in this Prospectus.

The fiscal year of the Company commences on April 1 of each year and ends on March 31 of the next year. All references to a particular fiscal year are to the 12 month period ended March 31 of that year. In this Prospectus, any discrepancies in any table between the total and the sums of the amounts listed are due to rounding-off.

There are significant differences between Indian GAAP, IFRS and US GAAP. The Company has not attempted to quantify their impact on the financial data included herein and urges you to consult your own advisors regarding such differences and their impact on the Company's financial data. Accordingly, the degree to which the Indian GAAP financial statements included in this 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 Prospectus should accordingly be limited.

Any percentage amounts, as set forth in "Risk Factors", "Our Business", "Management's Discussion and Analysis of Financial Condition and Results of Operations" and elsewhere in this Prospectus unless otherwise indicated, have been calculated on the basis of the Company's restated financial statements prepared in accordance with Indian GAAP.

All references to "India" contained in this Prospectus are to the Republic of India, all references to the "US", "USA", or the "United States" are to the United States of America, its territories and possessions and all references to "UK" are to the United Kingdom of Great Britain and Northern Ireland, together with all its territories and possessions.

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

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\$" or "USD" are to United States Dollars, the official currency of the United States of America. In this Prospectus, the Company has presented certain numerical information in 'million' units and 'Crores' units. One million represents 1,000,000 and one Crores represents 10,000,000.

Exchange Rates

This Prospectus contains translations of certain US Dollar and other currency amounts into Indian Rupees that have been presented solely to comply with the requirements of the SEBI Regulations. These translations should not be construed as a representation that those US Dollar or other currency amounts could have been, or can be converted into Indian Rupees, at any particular rate.

The exchange rate of one US Dollar was Rs. 46.24 as on October 31, 2009.

These convenience translations should not be construed as a representation that those US Dollar or other currency amounts could have been, or can be converted into Indian Rupees, at any particular rate, the rates stated above or at all.

Industry and Market Data

Unless otherwise stated, industry and market data used throughout this Prospectus has been obtained from industry publications and Government data. 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 the Company believes that industry data used in this Prospectus is reliable, it has not been independently verified. Similarly, internal Company reports, while believed by the Company to be reliable, have not been verified by any independent sources.

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

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

FORWARD-LOOKING STATEMENTS

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

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

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

For further discussion of factors that could cause our actual results to differ, see the sections titled “Risk Factors”, “Our Business” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” on pages xv, 77 and 291, respectively, of this Prospectus. Neither our Company nor any of the GCBRLMs and the BRLMs nor any of their respective affiliates has any obligation to update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying event, even if the underlying assumptions do not come to finalisation. In accordance with SEBI requirements, our Company, the GCBRLMs and the BRLMs will ensure that investors in India are informed of material developments until such time as the commencement of listing and trading on the Stock Exchanges of the Equity Shares allotted pursuant to this Issue.

SECTION II: RISK FACTORS

RISK FACTORS

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

Risks in Relation to our Business and Internal Risks

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

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

The Company

S. No	Brief Description of the Case	Complainant	Forum
1.	Grentex Wools Private Limited has alleged misappropriation of funds and falsification of accounts by our Company in criminal case No. 388/M/2004 filed before the Metropolitan Magistrate who initiated process against the Company. Our Company, along with its directors, Mr. Adi B. Godrej, Mr. Amit B. Choudhury and Mr. Milind S. Korde and others has filed a criminal writ petition No. 1360 of 2006 challenging the order passed by the sessions judge dated May 5, 2006 in criminal revision application No. 386 of 2006 whereby the judge refused to quash the proceedings initiated by Grentex.	Grentex Wools Private Limited	High Court of Mumbai
2.	Zinnia Cooperative Housing Society filed a complaint No. 94 of 2003 under sections 11, 13 and 14 of the Maharashtra Ownership of Flats, 1963 and sections 269 and 270 of the Indian Penal Code, against the Company and the Managing Director of the Company.	Zinnia Co- operative Housing Society	Metropolitan Magistrate

The Directors

Mr. Adi B. Godrej

S. No	Brief Description of the Case	Complainant	Forum
1.	Grentex Wools Private Limited has alleged misappropriation of funds and falsification of accounts by our Company in criminal case No. 388/M/2004 filed before the Metropolitan Magistrate who initiated process against the Company. Our Company, along with its directors, Mr. Adi B. Godrej, Mr. Amit B. Choudhury and Mr. Milind S. Korde and others has filed a criminal writ petition No. 1360 of 2006 challenging the order passed by the sessions judge dated May 5, 2006 in criminal revision application No. 386 of 2006 whereby the judge refused to quash the proceedings initiated by Grentex.	Grentex Wools Private Limited	High Court of Mumbai
2.	Mr. Ghanshyamdas Gupta of Alpa Cares, a Franchisee has filed a private complaint under Section 138 read with Section 141 of Negotiable Instruments Act (C.C. No. 1828/SS/2006) against Godrej HiCare Limited, Mr. Adi B. Godrej, Mr. A. Mahendran, Mr. Vikas Hajela and Mr. Samira Kundu.	Mr. Ghanshyamdas Gupta	Metropolitan Magistrate 43rd Court Borivali, Mumbai

S. No	Brief Description of the Case	Complainant	Forum
3.	A distributor of Godrej Consumer Products Limited filed a criminal complaint against Mr. Adi B. Godrej and Mr. Y. Chadha, the field executive, under sections 406 and 420 of the Indian Penal Code, 1860, for non-payment of dues.	Mr. Arun Kumar Singhal, Proprietor M/s Singhal Agencies	Chief Judicial Magistrate, Etawah,
4.	A criminal complaint No. CRIM/1/1994-1995 was filed against Mr.A.B.Godrej and other Directors for not mentioning scrap in the agreement on soaps sold to a party.	Food and Drugs Administration	Metropolitan Magistrate, Mazgaon
5.	Surenkumar Shetty has preferred a criminal revision application No.474 of 2008 against the State of Maharashtra, Godrej & Boyce Manufacturing Company Limited (Construction Division), Mr.Adi.B.Godrej, Director and Mr.Maneck Engineer, Vice-President (Construction) for offences punishable under the Maharashtra Ownership Flat Act, 1963.	Surenkumar Shetty	Sessions Court, Mumbai,
6.	The Municipal Corporation has filed five criminal complaints bearing Criminal Case Nos.: 4204734/S/2009, 4204735/S/2009, 4204736/S/2009, 4204737/S/2009 and 42044738/S/2009 in the Court of the Presidency Magistrate-42 nd Court, Dadar against all the Directors of Godrej & Boyce Manufacturing Company Limited. The complaint is filed under Section 394 read with Section 471 of the Bombay Municipal Corporation Act alleging that they had conducted business without obtaining requisite licence in respect of activities at Plant 5 and 11 of Godrej and Boyce Manufacturing Company Limited. The next date of hearing is March 12, 2010	Municipal Corporation	Presidency Magistrate, 42 nd Court, Dadar
7.	The Municipal Corporation has filed a criminal complaint no. 4204886/SS/2009 pertaining to a factory premises at Vikhroli in the Metropolitan Magistrate's 42nd Court at Shindewadi, Dadar against all the Directors of the Company Summons was served on the Company on December 1, 2009 and subsequently were issued to the Directors. The date of hearing is March 12, 2010.	Municipal Corporation	Presidency Magistrate, 42 nd Court, Dadar

Mr. Jamshyd N. Godrej

S. No	Brief Description of the Case	Complainant	Forum
1.	The Municipal Corporation has filed five criminal complaints bearing Criminal Case Nos.: 4204734/S/2009, 4204735/S/2009, 4204736/S/2009, 4204737/S/2009 and 42044738/S/2009 in the Court of the Presidency Magistrate-42 nd Court, Dadar against all the Directors of Godrej & Boyce Manufacturing Company Limited. The complaint is filed under Section 394 read with Section 471 of the Bombay Municipal Corporation Act alleging that they had conducted business without obtaining requisite licence in respect of activities at Plant 5 and 11 of Godrej and Boyce Manufacturing Company Limited. The next date of hearing is March 12, 2010	Municipal Corporation	Presidency Magistrate, 42 nd Court, Dadar
2.	The Municipal Corporation has filed a criminal complaint no. 4204886/SS/2009 pertaining to a factory premises at Vikhroli in the Metropolitan Magistrate's 42nd Court at Shindewadi, Dadar against all the Directors of the Company Summons was served on the Company on December 1, 2009 and subsequently were issued to the Directors. The date of hearing is March 12, 2010.	Municipal Corporation	Presidency Magistrate, 42 nd Court, Dadar

Mr. Nadir B. Godrej

S. No	Brief Description of the Case	Complainant	Forum
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1.	Assistant Registrar of Companies Maharashtra has filed a criminal complaint alleging, violation of Section 212 (9) of the Companies Act was filed at Esplanade, Mumbai against Mr. Nadir B. Godrej and Mr. S. K. Bhatt.	Assistant Registrar of Companies	Additional Chief Judicial Magistrate-XIX
2.	Abani.M.Kalita has filed case No.1555 of 2008 against Golden Foods & Feeds Limited and its Directors including Mr.Nadir B.Godrej under section 420 of the Indian Penal Code.	Abani.M.Kalita	Judicial Magistrate First Class, Guwahati
3.	The Municipal Corporation has filed five criminal complaints bearing Criminal Case Nos.: 4204734/S/2009, 4204735/S/2009, 4204736/S/2009, 4204737/S/2009 and 42044738/S/2009 in the Court of the Presidency Magistrate-42 nd Court, Dadar against all the Directors of Godrej & Boyce Manufacturing Company Limited. The complaint is filed under Section 394 read with Section 471 of the Bombay Municipal Corporation Act alleging that they had conducted business without obtaining requisite licence in respect of activities at Plant 5 and 11 of Godrej and Boyce Manufacturing Company Limited. The next date of hearing is March 12, 2010	Municipal Corporation	Presidency Magistrate, 42 nd Court, Dadar
4.	The Municipal Corporation has filed a criminal complaint no. 4204886/SS/2009 pertaining to a factory premises at Vikhroli in the Metropolitan Magistrate's 42nd Court at Shindewadi, Dadar against all the Directors of the Company Summons was served on the Company on December 1, 2009 and subsequently were issued to the Directors. The date of hearing is March 12, 2009.	Municipal Corporation	Presidency Magistrate, 42nd Court, Dadar

Mr.Milind Korde

S. No	Brief Description of the Case	Complainant	Forum
1.	Grentex Wools Private Limited has alleged misappropriation of funds and falsification of accounts by our Company in criminal case No. 388/M/2004 filed before the Metropolitan Magistrate who initiated process against the Company. Our Company, along with its directors, Mr. Adi B. Godrej, Mr. Amit B. Choudhury and Mr. Milind S. Korde and others has filed a criminal writ petition No. 1360 of 2006 challenging the order passed by the sessions judge dated May 5, 2006 in criminal revision application No. 386 of 2006 whereby the judge refused to quash the proceedings initiated by Grentex.	Grentex Wools Private Limited	High Court of Mumbai

Mr.Amit Choudhury

S. No	Brief Description of the Case	Complainant	Forum
1.	Grentex Wools Private Limited has alleged misappropriation of funds and falsification of accounts by our Company in criminal case No. 388/M/2004 filed before the Metropolitan Magistrate who initiated process against the Company. Our Company, along with its directors, Mr. Adi B. Godrej, Mr. Amit B. Choudhury and Mr. Milind S. Korde and others has filed a criminal writ petition No. 1360 of 2006 challenging the order passed by the sessions judge dated May 5, 2006 in criminal revision application No. 386 of 2006 whereby the judge refused to quash the proceedings initiated by Grentex.	Grentex Wools Private Limited	High Court of Mumbai

An agreement dated December 30, 1997 was entered into between Grentex Wools Private Limited and Godrej Properties and Investments Limited. Grentex Wools Private Limited is the owner of 5,859 sq. metres of the property situated in Kirol, LBS Marg, Ghatkopar, Mumbai bearing survey no. 594, 595, 598B. Godrej

Properties and Investment Limited is the project manager whereby it is to provide services, finance and expertise for construction of a commercial building as under the terms of this agreement.

For further details of outstanding litigations against the Company, its Subsidiaries, its Directors, Promoters and the Group Companies, please see the section titled “Outstanding Litigations and Material Developments” beginning on page 314 of this Prospectus.

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

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

Litigation against the Company

S. No.	Nature of the cases/ claims	No. of cases outstanding	Amount involved (Rs. in Crores)
1.	Civil	17	-
2.	Criminal	2	-
3.	Income Tax Proceedings	2	10.37
	Total	21	10.37

Litigation against the Directors

S. No.	Nature of the cases/ claims	No. of cases outstanding
1.	Criminal	26
2.	Civil	5
3.	FERA	2
4.	Consumer	6
5.	Insider Trading	1
	Total	39

Litigation against the Promoters

Sr. No.	Nature of the cases/ claims	No. of cases outstanding	Amount involved (Rs. in Crores)
Godrej & Boyce Manufacturing Company Limited			
1.	Consumer	317	20.62
2.	Criminal	2	-
3.	Labour	7	0.30
4.	Civil	19	22.52
5.	Insolvency	1	-
6.	Property related	5	-
	Total	351	43.44
Godrej Industries Limited			
7.	Excise	126	16.92
8.	Customs	38	8.21

Sr. No.	Nature of the cases/ claims	No. of cases outstanding	Amount involved (Rs. in Crores)
9.	Miscellaneous	63	7.53
10.	Service Tax	8	0.14
11.	IR cases	7	0.42
12.	CMRS	5	*-
13.	Income Tax	14	52.45
14.	Arbitration	1	-
15.	Criminal	31	-
	Total	293	85.67

*- ' represents amount less than Rs. 50,000

Litigation against Subsidiaries: Nil

Litigation against Group Companies

Sr. No.	Nature of the cases/ claims	No. of cases outstanding	Amount involved (Rs. in Crores, unless otherwise provided)
Geometric Limited			
1.	Customs	11	2.37
2.	Civil	1	118.44
3.	Consumer	1	0.03
4.	Income Tax	2	0.11
	Total	15	120.96
Wadala Commodities Limited			
1.	Income Tax	16	13.56
Godrej Consumer Products Limited			
1.	Criminal	2	-
2.	Consumer	5	0.12
3.	Labour	6	0.19
4.	Sales Tax	11	6.71
5.	Excise	11	15.70
6.	Intellectual Property	3	-
7.	Miscellaneous	6	0.26
	Total	44	22.98
Godrej Hershey Limited			
1.	Trademark	11	-
2.	Labour	2	0.10
3.	Food Adulteration	3	-
	Total	16	0.10
Godrej Agrovet Limited			
1.	Consumer Cases	54	2.36
2.	Civil	7	3.00
3.	Criminal	13	-
4.	Excise	2	9.40
5.	Sales Tax	2	5.00
	Total	78	19.76

Sr. No.	Nature of the cases/ claims	No. of cases outstanding	Amount involved (Rs. in Crores, unless otherwise provided)
Mercury Manufacturing Company Limited			
1.	Labour	4	-
Veromatic International BV			
1.	Consumer	1	EUR 500.00
Godrej Tyson Foods Limited			
1.	Criminal	1	-

The total claim in the cases filed by the Company as of November 15, 2009 is Rs. 14.67 Crores.

The total claim in the cases filed against the Company as of November 15, 2009 is Rs. 10.37 Crores.

The details of statutory dues as at October 31, 2009 are given below:

Godrej & Boyce Manufacturing Company Limited

Nature of Statute	Nature of Dues	Amount	Period of default
Central Excise Act, 1944	Excise Duty	1,50,654	1983 to 2009
Finance Act, 1944	Excise Duty	1,22,090	2003 to 2009
Central Sales Tax Act, 1956	Sales Tax	1,67,997	1976 to 2008
Sales Tax Acts (inclusive works contract)		69,549	1981 to 2006
Employees' Provident Funds and Miscellaneous Provision Act, 1952	Provident Fund	5,068	1996 to 1997

Except as disclosed above, there are no pending payment to be made to any authority under any law or regulation by the issuer, promoter, wholtime directors of the issuer and wholtime directors of the group companies.

For details on actions taken by SEBI or any cases under the securities law against Mr. Keki B Dadiseth please refer to the section titled "Outstanding Litigations and Material Developments – Litigation against Directors – Mr. Keki B Dadiseth" beginning on page 331 of this Prospectus

For details of outstanding litigations against the Company, its Subsidiaries, its Directors, Promoters and the Group Companies, please see the section titled "Outstanding Litigations and Material Developments" beginning on page 314 of this Prospectus.

3. *We are dependent upon a few contractors and third party entities for the development and sale of our projects, and the inability or unwillingness or such third parties to provide their services to us on a timely and cost-efficient basis may adversely affect our results of operations.*

We enter into agreements with third party entities to design, construct and sell our projects in accordance with our specifications and quality standards and under the time frames provided by us. We require the services of other third parties, including architects, engineers, and other suppliers of labour and materials. The timing and quality of construction of the projects we develop depends on the availability and skill of these third parties, as well as contingencies affecting them, including labour and raw material shortages and industrial action such as strikes and lockouts. We may only have limited control over the timing or quality of services and sophisticated machinery or supplies provided by such third parties and are highly dependent on the services of such third parties. We may not be able to identify appropriately experienced third parties and cannot assure you that skilled third parties will continue to be available at reasonable rates and in the areas in which we undertake our projects, or at all. As a result, we may be required to make additional investments or provide additional services to ensure the adequate performance and delivery of contracted services. Any consequent delay in project execution could adversely affect our profitability and reputation.

If such contractors are unable to perform their contracts, including completing our developments within the specifications, quality standards and time frames specified by us, at the estimated cost, or at all, our business, reputation and results of operations could be adversely affected. For example, in certain of our developments, we commit to complete the developments within specified time frames, failing which, we are required to compensate our customers at specified rates for the delay. In addition, we generally provide warranties for a period of up to three years for construction defects and may be held liable for such defects. Even though our contractors provide us with back-to-back warranties, such warranties may not be sufficient to cover our losses, or our contractors could claim defences not available to us against our customers, which could adversely affect our financial condition and results of operations. Further, we cannot assure you that the services rendered by any of our independent construction contractors will always be satisfactory or match our requirements for quality. We have limited control over the cost, availability or quality of their products or services, and as such the inability or unwillingness of third-party suppliers and sub-contractors to provide their products and services to us, including on a timely and cost-efficient basis, may adversely affect our business and results of operations.

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

4. We face uncertainty of title to our lands, which may impede the transfer of title, expose us to legal disputes and adversely affect our land valuations.

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

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

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

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

Legal disputes in respect of land title can take several years and considerable expense to resolve if they become the subject of court proceedings and their outcome can be uncertain. Under Indian law, a title document is generally not effective, nor may be admitted as evidence in court, unless it has been registered with the applicable land registry and applicable stamp duty has been paid in respect of such title document. The failure of prior landowners to comply with such requirements may result in our failing to have acquired valid title or development rights with respect to that land. If we or the owners of the land which is the subject of our development agreements are unable to resolve such disputes with these claimants, we may lose our interest in the land, being our right to own or develop the land, and we may have to make payments to these claimants as compensation. For example approximately 1.5 acres of land forming part of Godrej Garden City Project, Ahmedabad has restriction on transferability under the local land laws of Gujarat and as such require the approval of the regulating authority prior to any development. We cannot assure you that we will be granted or will obtain permission for removal of such restriction in a timely manner, or at all. If we do not receive permission from the relevant authority, in a timely manner or in a manner acceptable to us, we may not be able to develop such land. For further details see section titled “Our Business – Land Reserves” beginning on page 81 of this Prospectus

The failure to obtain good title to a particular plot of land and the abandoning of the property as a result may materially prejudice the success of a development for which that plot is a critical part and may require us to write off expenditures in respect of the development. In addition, land for which we, or entities which have granted us development rights, have entered into agreements to acquire but have not yet acquired, form a significant part of our growth strategy and the failure to obtain good title to this land could adversely impact our property valuations and prospects.

The details of our total land bank that is under litigation is as follows:

Name/Location of the Project	Type of Development	Estimated Developable Area (in million sq. ft.)	Estimated Saleable Area (in million sq. ft.)	Developable Area under litigation (in million sq. ft.)	Saleable Area under litigation (in million sq. ft.)	References to such litigation “Outstanding Litigation and Material Developments”
Godrej Eden Woods- Phase III, Thane	Apartment Complex	0.06	0.03	0.06	0.03	Page 317, Point No.11
Planet Godrej- Towers 5, Mahalaxmi, Mumbai	High Rise Apartment Complex	0.17	0.05	0.17	0.05	Page 322, Point No. 4
Godrej Coliseum Phase III, Sion, Mumbai	Commercial Office Space	0.17	0.04	0.17	0.04	Page No. 323, Point No. 1
Godrej Garden City – Residential and Commercial	Township – Residential and Commercial	40.43	27.38	1.82	1.23	Page No. 316, Point No. 10 and Page No. 323 and 324, Point No. 3,4,5,6 and 7

Name/Location of the Project	Type of Development	Estimated Developable Area (in million sq. ft.)	Estimated Saleable Area (in million sq. ft.)	Developable Area under litigation (in million sq. ft.)	Saleable Area under litigation (in million sq. ft.)	References to such litigation "Outstanding Litigation and Material Developments"
Godrej Avalon	Residential and Commercial	0.83	0.61	0.83	0.61	Page No. 323, Point No. 8
TOTAL		41.66	28.11	3.05	1.96	

Based on the above, approximately 3.69% of the Developable Area and approximately 3.90% of the Saleable Area of our Land Reserves is under litigation.

5. *Many of our projects are in the preliminary stages of planning and require approvals or permits and we are required to fulfill certain conditions precedent in respect of some of them, which may require us to reschedule our current or planned projects.*

We require statutory and regulatory approvals and permits, and applications need to be made at appropriate stages for us to successfully execute our projects. For example, we are required to obtain requisite environmental consents, fire safety clearances and the commencement, completion and occupation certificates from the competent governmental authorities.

As some of our Ongoing and Forthcoming Projects are still in initial stages of development, the proposed use and development plans for these projects may be subject to further changes, as may be decided by us keeping in mind various factors including the economic conditions, the prevailing preferences of the consumers and regulations applicable to us. We cannot assure you that we shall receive any of the underlying approvals in a timely manner or at all. In the event that we do not receive these approvals, our business, prospects, financial condition and results of operations could be adversely affected. The following approvals are pending with respect to Ongoing and Forthcoming Projects for which we intend to utilise a portion of the proceeds of this Issue:

S. No	Approvals
1.	<p>Godrej Garden City- Ahmedabad</p> <ol style="list-style-type: none"> Application made for Township Approval dated January 27, 2009 to Municipal Commissioner, Ahmedabad Approval to start Construction of Nursery, Landscape, Roads Network etc from Municipal Commissioner, AMC, Ahmedabad dated August 29, 2009 Grant of final Plot for Godrej Garden City from Senior Town Planner, AUDA, dated June 4, 2009 Approval for Greening of Median on S.G. Highway for Beautification from Executive Engineer, National Highway Division dated June 11, 2009 Application for building approvals for Phase 1 made on August 20, 2009 to Municipal Commissioner, AMC, Ahmedabad Application for a break in the median on S.G. Highway made on September 29, 2009 to the Deputy Executive Engineer, (Roads), AUDA Application made on September 5, 2009 for Environmental Clearance for Proposed Township from The Member Secretary, Gandhinagar, Gujarat Application made on April 1, 2009 for Traffic Circle/Break in the median on the S.G. Highway to CEO, AUDA, Ahmedabad

S. No	Approvals
	9. Application for the Construction of Approach Road made in April 1, 2009 to CEO, AUDA, Ahmedabad
	10. Application made on April 10, 2009 approval from Electrical Power Supply from Chief Engineer, Uttar Gujarat Vij Company Limited, Mehsana
	11. Application made to Airport Director October 27, 2009 for No Objection Certificate for construction of building in the vicinity of the aerodrome

In addition, the Company has not received any approvals or made any applications with regard to its projects at Kalyan and Pune, and there are currently no pending approvals with regard to the Garden Eternia project. For further details, see section titled “Government Approvals” beginning on page 342 of this Prospectus.

Due to prevailing market conditions, we have decided not to progress with certain of our projects and therefore may be required to obtain new approvals and permits in the future in respect of projects where we had already previously obtained these. Further, we are required to renew certain of our existing approvals in respect of our Ongoing and Forthcoming Projects. While we believe we will obtain approvals or renewals as may be required, there cannot be any assurance that the relevant authorities will issue any such approvals or renewals in the anticipated time frames or at all. Any delay or failure to obtain the required approvals or renewals in accordance with our project plans may adversely affect our ability to implement our Ongoing and Forthcoming Projects and adversely affect our business and prospects. Further, some approvals and/or renewals for projects under joint development have been obtained or applied for by our joint development partners and/or owners of the land and such approvals and/or renewals have not been transferred in our name. We cannot assure you that our joint development partners will obtain such approvals and/or renewals, in a timely manner, or at all. Moreover, there can be no assurance that we or our joint development partners will not encounter material difficulties in fulfilling any conditions precedent to the approvals or renewals.

Further, we may not 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 industry in general or the particular processes with respect to the granting of approvals. In the past, as a result of the above factors, we have rescheduled the implementation schedule of some of our planned projects. For more information, see the section titled “Government Approvals” beginning on page 342 of this Prospectus.

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

After the completion of the Issue, our Promoters will control, directly or indirectly, 70.42% of our outstanding Equity Shares. As a result, our Promoters will continue to exercise significant influence over all matters requiring shareholder approval, including the composition of our Board of Directors, and will also have effective veto power with respect to any shareholder action or approval requiring majority voting. Our Promoters may take or block actions with respect to our business, which may conflict with our interests or the interests of our minority shareholders, such as actions with respect to future capital raising or acquisitions. We cannot assure you that our Promoters will always act in your best interests.

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

7. *Our Company has entered into certain arrangements with its Promoters for acquiring development rights over land.*

Our Company has entered into a memorandum of understanding dated October 8, 2009 with Godrej & Boyce Manufacturing Company Limited, the owner, and Godrej Industries Limited in relation to approximately 36.5 acres of land located at Vikhroli, Mumbai. In terms of the memorandum of understanding the parties have agreed that Godrej & Boyce Manufacturing Company Limited shall grant a new lease to Godrej Industries

Limited / our Company or to any other entity as may be formed by Godrej Industries Limited / our Company for a period of 99 years commencing from April 1, 2010 for development of such property.

Additionally, we have also entered into memoranda of understanding with certain members of the Godrej group of companies, for developing land owned by them in various regions across the country. The details of these memoranda of understanding are as follows:

Group Company	City	Acreage
Godrej & Boyce Manufacturing Company Limited	Mohali (Chandigarh)	75
Godrej Agrovat Limited	Bengaluru	100
Godrej & Boyce Manufacturing Company Limited	Hyderabad	10
TOTAL		185

8. *Certain of our Subsidiaries and Group Companies have incurred losses in the last three fiscal years. Our total investment in loss making Subsidiaries in the fiscal year 2009 was 57.89% of our total investment in such subsidiaries.*

Certain of our Subsidiaries and Group Companies have incurred losses (as per their standalone financial statements) in the last three fiscal years. Our total investment in loss making Subsidiaries in the fiscal year 2009 was 57.89% of our total investment in such subsidiaries. Out of our total investments in such Subsidiaries, Rs.. 0.05 Crores was made during the fiscal year 2009.

The losses of our Subsidiaries and Group Companies in the last three fiscal years are as set forth in the table below:

(Rs. in Crores)

Name of Group Company	Fiscal Year ended March 31,		
	2009	2008	2007
Subsidiaries:			
Godrej Realty Private Limited	0.277	(0.096)	(0.114)
Godrej Waterside Properties Private Limited	1.635	(0.156)	(0.185)
Godrej Developers Private Limited	(0.005)	*_	(0.003)
Godrej Real Estate Private Limited	(0.003)	(0.002)	(0.003)
Godrej Sea View Properties Private Limited	(0.008)	(0.004)	(0.003)
Happy Highrises Limited	(0.003)	0.001	(0.001)
Godrej Estate Developers Private Limited	(0.005)	NA	NA
Group Companies:			
Swadeshi Detergents Limited	0.006	(0.001)	0.122
Vora Soaps Limited	0.008	(0.004)	0.048
Godrej Hygiene Care Limited	(0.008)	NA	NA
Golden Feed Products Limited	(0.022)	0.030	(0.156)
Godrej IJM Palm Oil Limited	(0.469)	(0.266)	NA
Godrej Gold Coin Aquafeed Limited	(7.316)	(5.258)	(4.973)
Godrej Tyson Foods Limited	(15.907)	NA	NA
Natures Basket Limited	(6.996)	NA	NA
Cauvery Palm Oil Limited	(1.934)	(0.307)	(0.020)
Godrej Oil Palm Limited	0.006	0.009	(0.016)
Al Rabha International Trading LLC	5.582	(0.916)	(5.854)
ACI Godrej Agrovat Private Limited	3.236	0.984	(6.350)
Godrej Consumerbiz Limited	0.029	0.066	(0.026)
Wadala Commodities Limited	(0.022)	0.031	0.612
Godrej Hershey Limited	(18.490)	(29.880)	(18.790)
Godrej Agrovat Limited	13.317	(39.053)	2.750

_- Represents amount less than Rs. 50,000

(Rs. in Crores)

Name of Group Company	Fiscal Year ended December 31,		
	2008	2007	2006
Godrej (Malaysia) Sdn. Bhd.	(3.150)	(0.766)	2.771

Godrej (Singapore) Pte. Limited	0.952	(0.823)	(2.905)
J.T. Dragon Pte. Limited (Jtd)	(0.044)	(0.014)	(0.069)

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

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

The square footage data presented in this Prospectus with regard to Ongoing Projects and Forthcoming Projects and the area and make-up of our Land Reserves, Developable Area and Saleable Area are based on management estimates, current development plans and real estate regulations. The square footage that we may in the future develop with regard to a particular project may differ from the figures presented in this Prospectus based on various factors such as market conditions, title defects, any inability to obtain required regulatory approvals and any change in Government policies. Moreover, title defects may prevent us from having valid rights enforceable against all third parties to lands over which we believe we hold interests or development rights, rendering our management's estimates of the area and make-up of our Land Reserves and developable land incorrect and subject to uncertainty. Additionally, any change in existing real estate regulations or plans may lead to changes in the estimated Developable Area and Saleable Area, including a reduction in such area, which could adversely affect our business and results of operations. Our estimates with respect to such area necessarily contain assumptions that may not prove to be correct.

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

10. ***Our inability to identify and acquire suitable land or development rights at reasonable cost affects our business.***

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

The failure to acquire land or obtain development rights over targeted land may cause us to modify, delay or abandon entire projects, which in turn could cause our business to be adversely affected. Further information on our Land Reserves is contained in "Our Business – Description of our Business – Land Reserves" beginning on page 81 of this Prospectus.

As the demand for land for development of residential and commercial properties increases, it also results in an increase in competition to acquire land. The unavailability or shortage of suitable land for development also leads to escalations in land prices. Further, the availability of land and its use and development are subject to

regulation by various local authorities. For example, if a specific parcel of land has been delineated as agricultural land, no commercial or residential development is permitted without the prior approval of the local authorities. Obtaining such a change in status may affect the price of the specific parcel of land, as well as the land surrounding it. Any escalation in prices for land could prevent us from acquiring particular land parcels, which could adversely affect our business, prospects, financial condition and results of operations.

In addition, land acquisition in India has historically been subject to regulatory restrictions on foreign investment, which limited our competitors' ability to obtain financing. However, these restrictions are gradually being relaxed and, combined with the aggressive growth strategies and financing plans of real estate development companies as well as real estate investment funds in the country, this is in some cases making suitable land increasingly expensive, as our competitors are no longer restricted from accessing funding from foreign financial resources. If we are unable to compete effectively in the acquisition of suitable land, our business and prospects will be adversely affected.

11. *Our inability to acquire ownership of or development rights over large contiguous parcels of land may affect our future development activities, and for certain projects, we may be dependent upon third party entities for sourcing of land.*

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

For certain projects, we may enter into agreements with third parties to source and negotiate the acquisition of land parcels with multiple land owners to aggregate a large contiguous parcel of land for development. We pay an advance amount to the aggregator to assist in entering into the required agreements to document the acquisition. For example, we have entered into an agreement with a third party to acquire various contiguous parcels of land measuring approximately 160 acres located at village Kolivli and Umbarde Taluka Kalyan, District Thane. If the aggregator is unsuccessful in aggregating the required land, we may be forced to modify the development, which would adversely affect our business prospects, financial condition and results of operations. For further details, see the section titled "Our Business – Land Reserves" beginning on page 81 of this Prospectus.

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

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

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

on our business prospects, financial condition or results of operations. For further details, see the section titled “History and Corporate Structure – Material Agreements” beginning on page 119 of this Prospectus.

13. *We have entered into shareholders’ agreements with Red Fort India Real Estate Babur, which set forth certain conditions which may adversely affect our business operations.*

We have entered into a shareholders’ agreements with Red Fort India Real Estate Babur (“Investor”), which currently holds 49% of the equity interest in GDPL. Certain business decisions and some of the operations of GDPL will require an affirmative vote or the affirmative written consent of the Investor. There is no assurance that the Investor or its board nominees in GDPL will vote in favour of our interests and GDPL may be prevented from implementing decisions which could be beneficial to our business and financial conditions. In addition, there could be delays in making such business decisions which could adversely affect our business operations.

Further, if either party commits an event of default, the non-defaulting party shall have the right, if the defaulting party so elects, to acquire from the defaulting party (and on exercise of such right, the defaulting party shall have the obligation to sell) all of its shares in GDPL. In addition, if we fail to perform certain of our covenants under the agreement, GDPL shall, if required by the Investor, purchase all the shares owned by the Investor in GDPL and ensure that the Investor receives an IRR of 20% of the aggregate investment amount. If GDPL fails to do so the Investor will be entitled to, for no consideration, to re-classify our shares in GDPL to class-B shares, which will be entitled to 25% of the voting rights of GDPL and the balance 75% being re-classified as class-A shares in favour of the Investor. The occurrence of any such event may have an adverse effect on our business prospects, financial condition or results of operations. For further details, see the section titled “History and Corporate Structure – Material Agreements” beginning on page 119 of this Prospectus.

14. *We have entered into shareholders’ agreements with Milestone Real Estate Fund, which set forth certain conditions which may adversely affect our business operations.*

We have entered into a shareholders’ agreements with Milestone Real Estate Fund (“Investor”), which currently holds 49% of the equity interest in HHL. Certain business decisions and some of the operations of HHL will require an affirmative vote of the Investor. There is no assurance that the Investor or its board nominees in HHL will vote in favour of our interests and HHL may be prevented from implementing decisions which could be beneficial to our business and financial conditions. In addition, there could be delays in making such business decisions which could adversely affect our business operations. For further details, see the section titled “History and Corporate Structure – Material Agreements” beginning on page 119 of this Prospectus.

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

We enter into development agreements with various third parties in relation to some of our projects. Under these agreements, we are required to provide the owners of the land with a deposit which is expected to be refunded upon the completion of the project or credited against payments made to the owners of land. As of October 31, 2009, approximately Rs. 260.18 Crores has been paid in such deposits, out of which Rs. 2.50 Crores is non-refundable.

Under these development agreements, in the event of any delay in the completion of the development within the time frame specified, we are required to indemnify the other parties to the development agreements and pay certain penalties or liquidated damages that are capped as specified in these agreements. If we are required to pay penalties or liquidated damages pursuant to such agreements, and we decline to do so, we may not be able to recover the deposits made by us to the owners of the land. In addition, if for any reason, the development agreement is terminated or the development is delayed or cancelled, we may not be able to recover such deposits. This could have an adverse effect on our business prospects, financial condition or results of operations. For further details in relation to our development agreements, see the section titled “Our Business – Land Reserves” beginning on page 81 of this Prospectus.

In order to recover the amounts paid in cases of agreements entered into on a revenue sharing basis, we recover the amount paid as advance to the land owner from the land owner's share of the revenue paid to the landowner during the course of the project. In cases of agreements entered into on an area sharing basis, we recover the amount paid as advance to the land owner by taking possession of the land owner's share of the land area which is to be developed.

16. *We may undertake projects jointly with third parties, which entails risks with respect to completion of the project, satisfaction of financial obligations and control over the project.*

As of October 31, 2009, certain of our projects consist of development arrangements or may be undertaken in collaboration with third parties. These projects comprise 84.69% of the total acreage in our Land Reserves. For further details in relation to our Land Reserves, see the section titled "Our Business – Land Reserves" beginning on page 81 of this Prospectus. In these projects, the title to the land may be owned by one or more of these third parties and we, by virtue of the development agreements, acquire development rights to the land. Most of these development agreements confer rights on us to construct, develop, market and eventually sell the Developable Area to third party buyers. Such agreements do not convey any interest in the immovable property to us and only the development right is transferred to us.

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

17. *We enter into agreements with various third parties to acquire land or development rights which may entail certain risks, including potential disagreements with such third parties and risks with respect to obtaining clear title to the land or land development rights.*

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

As of October 31, 2009, we have entered into MoUs with third parties to acquire land or land development rights with respect to approximately 13.67% of our total Land Reserves. For further details in relation to our Land Reserves, see the section titled “Our Business – Land Reserves” beginning on page 81 of this Prospectus. We typically do not pay any advance when we enter into an MoU; however, in certain cases, we have paid up to Rs. 6.50 Crores as an advance to ensure that the seller of the land satisfies certain conditions within the time frames stipulated under the agreement. There can be no assurance that these sellers will be able to satisfy their conditions within the time frames stipulated, at the intended cost or at all. Further, certain third parties with whom we have entered into MoUs may not have ownership rights or clear title over such land, may have created encumbrances over such land, may have to comply with certain conditions or have litigation pending with respect to such land. As of October 31, 2009, we are not aware of any litigation pending with respect to such land.

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

18. We have entered into provisional agreements with members of the Godrej group of companies for developing their land, and we may not be able to enter into definitive agreements with these companies on terms acceptable to us or at all.

We have entered into memoranda of understanding with certain members of the Godrej group of companies for developing land owned by them in various regions across the country. Other than the memorandum of understanding dated October 8, 2009 with Godrej & Boyce Manufacturing Company Limited and Godrej Industries Limited, for approximately 36.5 acres of land located at Vikhroli, Mumbai, which forms a part of our Land Reserves, the memoranda of understanding with members of the Godrej group of companies for developing land owned by them does not form a part of our Land Reserves and the memoranda of understanding do not constitute definitive agreements for the development of this land. There can be no assurance that we will be able to enter into definitive agreements with any of these companies on terms acceptable to us, or at all. For further details of the memoranda of understanding, please refer to the sections titled “History and Corporate Structure” and “ Our Business – Memoranda of Understanding with the Godrej Group Companies”, beginning on pages 117 and 100, respectively, of this Prospectus.

19. A majority of our Land Reserves is not registered in the name of the Company.

As of November 15, 2009, 0.82% and 3.48% of our Land Reserves are registered in our name and in the names of our Subsidiaries, respectively. We cannot assure you that we will be able to assess or identify all risks and liabilities associated with the land that is not registered in our name, such as faulty or disputed title, unregistered encumbrances or adverse possession rights. Consequently, if there is any such encumbrance on the land or any other liability or risk associated with the land, we may be required to write off the expenditure that we have incurred in respect of the development. For further details in relation to our Land Reserves, see the section titled “Our Business – Land Reserves” beginning on page 81 of this Prospectus.

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

We procure building materials for our projects, such as steel, cement, flooring products, hardware, bitumen, sand and aggregates, doors and windows, bathroom fixtures and other interior fittings from third party suppliers. The prices and supply of such building materials depend on factors not under our control, including general economic conditions, competition, production levels, and import duties. Our ability to develop and construct projects profitably is dependent upon our ability to source adequate building supplies for use by our construction contractors. During periods of shortages in building materials, especially cement and steel, we may

not be able to complete projects according to our construction schedules, at our estimated property development cost, or at all, which could harm our results of operations and financial condition. In addition, during periods where the prices of building materials significantly increase, we may not be able to pass these price increases on to our customers, which could reduce or eliminate the profits we intend to attain with regard to our projects. Prices of certain building materials, such as cement and steel, in particular are susceptible to rapid increases.

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

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

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

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

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

23. Our business is heavily dependent on our ability and our customers' ability to obtain real estate financing in India.

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

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

of income tax benefits, our business and results of operations may be adversely affected.

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

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

Under our current business model, revenues and profits are expected to be derived primarily from the development and sale of residential and commercial projects. Our total sales and operating income for the fiscal year 2009 and for the six months ended September 30, 2009 was Rs. 205.26 Crores, or 82.02% and Rs. 56.67 Crores, or 49.23% of our total income, respectively. Revenues from sales are dependent on various factors such as the size of our developments, the extent to which they qualify for percentage of completion treatment (see the section titled “Management’s Discussion and Analysis of Financial Condition and Results of Operations” beginning on page 291 of this Prospectus) under our revenue recognition policies, the rights of lessors or third parties that could impair our ability to sell projects and general market conditions. In addition, the anticipated completion dates for our projects, including those set forth in this Prospectus, are estimates based on current management expectations and could change significantly, thereby affecting the timing of our sales commencement dates. The combination of any of these factors may result in significant variations in our revenues and profits across periods. Therefore, we believe that period-to-period comparisons of our results of operations will not necessarily be meaningful and should not be relied upon as indicative of our performance. If in the future, our results of operations are below market expectations, the price of our Equity Shares could decline.

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

We have experienced negative cash flows from operating, investing and financing activities of Rs. 7.48 Crores in the year ended March 31, 2008 and Rs. 2.40 Crores in the year ended March 31, 2007. The negative cash flow for the fiscal year 2008 was primarily a result of an increase in investment activities, including the following:

Particulars	Amount (Rs. in Crores)
The acquisition of Happy Highrises Limited	32.07
Investment in convertible debentures of Godrej Waterside Properties Private Limited	14.79
Increase in advanced loans and advances to subsidiaries	246.44
Increase in the amount of funds deployed for the development of Ongoing Projects	82.38

The negative cash flow for the fiscal year 2007 was primarily a result of a change of Rs. 58.32 Crores in inventory levels due to the cost of construction for a project in Hyderabad, as well as an increase in trade and other receivables, loans and advances and inventory levels. Any negative cash flows in the future could adversely affect our results of operations and financial condition.

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

The sale agreements into which we enter with our residential and commercial customers contain penalty clauses wherein we are liable to pay a penalty for any delay in the completion and hand over of the units to the customers. In terms of the residential sale agreement, the penalty payable by us varies between 9% to 18% per

annum. Accordingly, in large residential projects, the aggregate of all penalties in the event of delays may adversely impact the overall profitability of the project and therefore adversely affect our results of operations. As of October 31, 2009, the total amount of penalty paid by us under our sales agreements in the last four years is approximately Rs. 0.71 Crores.

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

As part of our property development business, we intend to develop SEZs. As of November 15, 2009 one of our Forthcoming Projects may be developed as a SEZ development. Our success in the development of SEZs depends on, among other things, our ability to obtain approvals and attract manufacturing, industrial or IT units that conduct business within SEZs as well as on the continued availability of fiscal incentives under the SEZ regime and appropriate financing options for SEZ units. We do not have any experience in developing SEZs. We cannot assure you that we will be able to get the approval for Godrej Genesis, Hyderabad or other manufacturing, industrial or IT SEZs in the future. Also, the possibility of withdrawal of the applicable benefits and concessions in the future may have an adverse effect on the attractiveness of SEZs for the manufacturing, industrial or service units, which creates a risk for our current and planned investment in SEZ developments.

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

In addition, due to the relaxation of the regulatory framework and availability of fiscal and other benefits for setting up operations in SEZs, a large number of companies have expressed interest in developing SEZs. The total number of formal approvals granted under the SEZ Rules as on January 15, 2009 was 578 (*Source: <http://www.sezindia.nic.in/HTMLS/approved-sez.htm>*). Many approvals have been granted in and around Hyderabad, Chennai, Pune, Bengaluru and National Capital Region of Delhi. This is likely to result in increased competition in SEZ property development. We may also face competition from SEZs being developed in neighbouring areas as well as from our potential customers who may set up their own SEZs. This increased competition could adversely affect our growth plans based on future SEZ property developments.

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

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

The growth of the Indian economy has also led to changes in the way businesses operate in India resulting in a substantial change in the nature of these consumers' demands. The growth and success of our commercial business depends on the provision of high quality office space to attract and retain clients who are willing and

able to pay rent or purchase price at suitable levels, and on our ability to anticipate the future needs and expansion plans of these clients. Therefore our ability to anticipate and understand the demands of the prospective customers is critical to the success of our property development business.

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

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

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

Given the fragmented nature of the real estate development industry, we often do not have adequate information about the property developments our competitors are developing and accordingly, we run the risk of underestimating supply in the market. We initially concentrated our real estate business in the Mumbai Metropolitan region and plan to expand across India, including cities such as Pune, Bengaluru, Kolkata and Hyderabad. Recently, we have diversified into Ahmedabad, Mangalore, Chandigarh, Chennai and Kochi. As we seek to diversify our regional focus, we face the risk that some of our competitors, who are also engaged in real estate development, may be better known in other markets, enjoy better relationships with land-owners and international or domestic joint venture partners, may gain early access to information regarding attractive parcels of land and be better placed to acquire such land.

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

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

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

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

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

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

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

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

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

The deployment of funds as described in the section titled “Objects of the Issue” beginning on page 43 of this Prospectus is at the discretion of our Board, though it is subject to monitoring by an independent agency. While we have entered into various acquisition agreements such as MoUs, agreements to sell, term sheets and allotment letters by State Governments/development authorities in various cities for the acquisition of land and/or development rights, we have not entered into definitive agreements for 15.78% of the Net Proceeds of the Issue. There can be no assurance that we will be able to conclude definitive agreements for such investment on terms anticipated by us or at all.

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

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

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

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

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

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

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

Although we believe that our projects materially comply with applicable laws and regulations, regulatory authorities may allege non-compliance and may subject us to regulatory action in the future, including penalties, seizure of land and other civil or criminal proceedings. For more information, see the sections titled “Regulations and Policies” and “Government Approvals” beginning on pages 104 and 342, respectively, of this Prospectus.

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

Compliance with, and changes in, safety, health and environmental laws and various labour, workplace and related laws and regulations may increase our compliance costs and as such adversely affect our results of operations and financial condition. We are subject to a broad range of safety, health and environmental laws and various labour, workplace and related laws and regulations in the jurisdictions in which we operate, which impose controls on the disposal and storage of raw materials, noise emissions, air and water discharges, on the storage, handling, discharge and disposal of chemicals, employee exposure to hazardous substances and other aspects of our operations. For example, we have received a notice that one of our sub-contractors on our Edenwoods, Thane project has failed to pay statutory dues to its employees as required by the relevant labour law. As a result, we will need to satisfy these payments and recover such amounts from the contractor. There can be no assurance, however, that we will be able to recover these amounts.

In addition, we are required to conduct an environmental assessment of our projects before receiving regulatory approval for these projects. These environmental assessments may reveal material environmental problems, which could result in our not obtaining the required approvals. If environmental problems are discovered during or after the development of a property, we may incur substantial liabilities relating to clean up and other

remedial measures and the value of the relevant projects could be adversely affected. Moreover, if hazardous substances are found in a property, our ability to sell such property could be adversely affected.

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

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

Our business is capital intensive and requires significant expenditure for land acquisition and development. In the fiscal year ended March 31, 2009, we incurred net interest and finance charges of Rs. 5.33 Crores. As of September 30, 2009, we had Rs. 800.69 Crores of aggregate principal amount of indebtedness (including secured and unsecured) outstanding.

As we intend to pursue a strategy of continued investment in our property development activities, we may incur significant additional expenditure in the current and future fiscal years. We propose to fund such expenditure through a combination of debt, equity and internal accruals. Our ability to borrow and the terms of our borrowings will depend on our financial condition, the stability of our cash flows and our capacity to service debt in a rising interest rate environment. Fluctuations in market interest rates may affect the cost of our borrowings, as some of our indebtedness may be at variable interest rates. We may not be successful in obtaining these additional funds in a timely manner, or on favourable terms, or at all.

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

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

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

Each of the risks referred to above could delay or impede our ability to achieve our growth objectives or we may not be successful in achieving our growth objectives at all through these means, which could have an adverse effect on our business, results of operations and financial condition.

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

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

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

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

Also, the taxation system within India still remains complex. Each state in India has different local taxes and levies including sales tax / value added tax and octroi. Changes in these local taxes and levies may impact our profits and profitability. Any negative changes in the regulatory conditions in India or our other geographic markets could adversely affect our business operations or financial conditions. For further details, please see “Statement of Tax Benefits” beginning on page 53 of this Prospectus.

40. *We depend on our information technology systems in managing our construction and development process, logistics and other integral parts of our business.*

Our information technology systems are important to our business. We utilise information technology systems in connection with overall project management, human resources and accounting. While we deploy “Concerto”, a fully integrated management tool system across our projects. Any failure in our information technology systems could result in business interruption, adversely affecting our reputation and weakening of our competitive position and could have an adverse effect on our financial condition and results of operations. SAP®, an enterprise resource planning software and Salesforce CRM.

41. *Our brand “Godrej” is owned by Godrej & Boyce Manufacturing Company Limited and assigned to Godrej Industries Limited, and our use of the same is subject to the conditions stipulated under the Trademark License Agreement dated May 27, 2008, with Godrej Industries Limited, and we have not obtained registration of our trademark, which may affect our business operations.*

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

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

Our registered office is on premises we have licensed from Godrej & Boyce Manufacturing Company Limited. Any adverse title, ownership rights, development rights of our landlord or any breach of the contractual terms of the leave and licence agreement we have entered into, or any inability to renew this leave and license agreement on terms acceptable to us, or at all may cause an adverse effect on our business operations. For further details, see section titled “Our Business – Properties” beginning on 102 of this Prospectus.

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

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

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

We have entered into various transactions with related parties, including the Promoters and Promoter Group entities. These related party transactions include entering into development and other agreements, payment and receipt of advances for purchase of land, payment of managerial remuneration, reimbursement of costs and expenses, including civil and infrastructure costs, grant and repayment of loans and grant of corporate guarantees and reimbursement of bank guarantee charges. Such transactions are made on an arm's length basis on no less favourable terms than if such transactions were carried out with unaffiliated third parties. These transactions in the present and future may potentially involve a conflict of interest which may adversely affect our business or harm our reputation. For details of related party transactions, please see section titled "Related Party Transactions" beginning on page 181 of this Prospectus.

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

Our consolidated contingent liabilities as disclosed in our restated consolidated financial statements, as per Indian GAAP as of September 30, 2009 were as follows:

Consolidated Contingent Liabilities

Particulars	(Rs. in Crores)
Uncalled amount of Rs. 80 and Rs. 30 on 70 and 75 Partly Paid shares respectively of Tahir Properties Limited	*
Claims against the Company not acknowledged as debts represent cases filed by parties in the consumer forum, Tribunal and High Court and disputed by the Company as advised by our advocates. In the opinion of the management, the claims are not sustainable.	0.47
Claims against the Company under the Labour Laws for disputed cases	0.20
Guarantees given by Bank, counter-guaranteed by the Company	2.01
Letter of credit issued on behalf of the Company	0.12
Claim against the Company under Bombay Stamp Act, 1958	1.49
Claims against the Company under Electricity Act 2003	0.60
Claims against the Company under Income Tax Act, Appeal referred to Commissioner of Income Tax (Appeals)	10.18

**represent amount less than Rs. 50,000*

Our unconsolidated contingent liabilities, as disclosed in our restated financial statements, as per Indian GAAP as of September 30, 2009 were as follows:

Unconsolidated Contingent Liabilities

Particulars	(Rs. in Crores)
Uncalled amount of Rs. 80 and Rs. 30 on 70 and 75 Partly Paid shares respectively of Tahir Properties Limited	*
Claims against the Company not acknowledged as debts represent cases filed by parties in the consumer forum, Tribunal and High Court and disputed by the Company as advised by our advocates. In the opinion of the management, the claims are not sustainable.	0.47
Claims against the Company under the Labour Laws for disputed cases	0.20
Guarantees given by Bank, counter-guaranteed by the Company	2.01
Letter of credit issued on behalf of the Company	0.12
Claim against the Company under Bombay Stamp Act, 1958	1.49
Claims against the Company under Electricity Act 2003	0.60
Claims against the Company under Income Tax Act, Appeal referred to Commissioner of Income Tax (Appeals)	10.18

**represent amount less than Rs. 50,000*

These contingent liabilities have not been provided for in our accounts. If any of these contingent liabilities materialise, our profitability may be adversely affected.

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

As of September 30, 2009, we had Rs. 800.69 Crores of aggregate principal amount of indebtedness (secured and unsecured) outstanding. There are certain restrictive covenants in the arrangements we have entered into with the banks. As per the terms of these agreements, we are prohibited from creating, assuming or incurring any additional long-term indebtedness without the prior consent of our lenders. Additional restrictive covenants require us, among other things, to maintain in favour of the bank a margin between the value of mortgaged property and the balance due to the bank, as the bank may stipulate from time to time, and to keep the mortgaged properties insured for full market value against certain risks. We also require prior consent of our lenders for effecting any change in our ownership, control and management as well as for making any amendments to the Memorandum and Articles. Further, the loan agreements provide that we cannot create any further charges or encumbrances over mortgaged property and that we may not part with hypothecated property or any part thereof without the prior written consent of the lending bank. Additionally, we are permitted to use the funds only for the purpose for which they have been borrowed and thus any transfer of funds to our associate/group companies may require the prior consent of the banks. Furthermore, our arrangements with the lending banks permit the bank to withdraw or recall their loans or debit the instalments or interest payable from any of our accounts maintained with the bank, at the bank's absolute discretion, without any prior notice to us and the bank may impose overdue interest at the specified rates in the event of any default or may vary the interest rates, without giving prior notice to us.

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

47. We have taken certain loans including unsecured loans, which may be recalled by our lenders at any time.

Certain of our indebtedness can be recalled at any time. As of November 15, 2009, of our total indebtedness, Rs. 172.82 Crores constitutes unsecured loans, and of these, loans in the amount of Rs. 32.98 Crores from IDBI

Bank Limited and Rs. 50.00 Crores from Punjab and Sindh Bank can be recalled at any time. In addition, certain of our secured loans can also be recalled by our lenders at any time. If our lenders exercise their right to recall a loan, it could have a material adverse affect on our financial position. For further details of our unsecured loans, please refer to the section titled “Financial Indebtedness” beginning on page 308 of this Prospectus.

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

We recognise the revenue generated from our residential and commercial projects on the percentage of completion method of accounting. See the section titled “Management’s Discussion and Analysis of Financial Condition and Results of Operations – Results of Operations” beginning on page 295 of this Prospectus. We cannot assure you that the estimates used under the percentage of completion method will equal either the actual cost incurred or revenue received with respect to these projects. The effect of such changes to estimates is recognised in the financial statements of the period in which such changes are determined. This may lead to significant fluctuations in revenues and development costs. Therefore, we believe that period-to-period comparisons of our results of operations may not be indicative of our future performance. Such fluctuations in our revenues and costs could also cause our share price to fluctuate significantly.

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

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

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

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

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

While the GoI has permitted FDI of up to 100% without prior regulatory approval in townships, housing, built-up infrastructure and construction and development projects, it has issued a notification titled Press Note No. 2 (2005 Series), dated March 3, 2005, which subjects such investment to certain restrictions. Our inability to raise additional capital as a result of these and other restrictions could adversely affect our business and prospects. For more information on these restrictions, see the section titled “Regulations and Policies” beginning on page 104 of this Prospectus.

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

Historically, the Indian real estate market has been cyclical, a phenomenon that can affect the optimal timing for both the acquisition of sites and the sale of our projects. We cannot assure you that real estate market cyclicity will not continue to affect the Indian real estate market in the future. As a result, we may experience

fluctuations in property values over time which in turn may adversely affect our business, financial condition and results of operations.

Risks relating to the Investment in Equity Shares

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

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

There has been no recent public market for the Equity Shares prior to this Issue and an active trading market for the Equity Shares may not develop or be sustained after this Issue. Further, the price at which the Equity Shares are initially traded may not correspond to the prices at which the Equity Shares will trade in the market subsequent to this Issue.

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

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

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

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

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

Notes to Risk Factors:

- Public issue of 9,429,750 Equity Shares of Rs. 10 each of the Company where 16,97,345 Equity Shares were issued for cash at a price of Rs. 530 per Equity Share (including a share premium of Rs.520 per Equity Share) and 77,32,405 Equity Shares were issued for cash at a price of Rs. 490 per Equity Share (including a share premium of Rs.480 per Equity Share) collectively aggregating to Rs. 468.85 crores.
- In accordance with Rule 19(2) (b) of the SCRR, this being an Issue for less than 25% of the post-Issue capital, the Issue is being made through the 100% Book Building Process whereby at least 60% of the

Issue will be allocated on a proportionate basis to QIBs, out of which 5% shall be available for allocation on a proportionate basis to Mutual Funds only. The remainder shall be available for allocation on a proportionate basis to QIBs and Mutual Funds, subject to valid Bids being received from them at or above the Issue Price. If at least 60% of the Issue cannot be allocated to QIBs, then the entire application money will be refunded forthwith. Further, not less than 10% of the Issue will be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 30% of the Issue will be available for allocation on a proportionate basis to Retail Individual Bidders, subject to valid Bids being received at or above the Issue Price.

- On December 2, 1992 the face value of the Equity Shares of Rs. 100 each were sub-divided into Equity Shares with a face value of Rs. 10 each.
- The Company's net worth as at March 31, 2009 was Rs. 300.55 Crores as per our consolidated restated financial statements under Indian GAAP. The Company's net worth as at March 31, 2009 and September 30, 2009 was Rs. 298.15 Crores and 345.78 Crores as per our unconsolidated restated financial statements under Indian GAAP.
- The net asset value per Equity Share as at March 31, 2009 was Rs. 49.47 as per our restated consolidated financial statements under Indian GAAP and Rs. 49.36 as per our restated unconsolidated financial statements under Indian GAAP.
- The average cost of acquisition of per Equity Share by our Promoters, which has been calculated by taking the average amount paid by them to acquire our Equity Shares, is Rs. 38.21.
- Refer to the notes to our financial statements relating to related party transactions in the section titled "Related Party Transactions" on page 181 of this Prospectus.
- For details of transactions in Equity Shares undertaken by our Promoter and Promoter Group, see the section titled "Capital Structure" on page 28 of this Prospectus
- For details of the interests of our Directors and Key Management Personnel, please refer to the section titled "Our Management" on page 136 of this Prospectus. For details of the interests of our Promoters and Promoter Group, please refer to the section titled "Our Promoters and Promoter Group" on page 155 of this Prospectus.
- Except as disclosed on page 31 of this Prospectus, we have not issued any Equity Shares for consideration other than cash. See the section titled "Capital Structure" on page 28 of this Prospectus
- Investors may contact the GCBRLMs and BRLMs and Syndicate Members for any complaints, information or clarifications pertaining to the Issue. The BRLMs and Syndicate Members are obliged to provide the same to investors.
- Investors are advised to refer to the section titled "Basis for Issue Price" on page 50 of this Prospectus before making an investment.
- Investors may note that in case of over-subscription in the Issue, Allotment to Bidders in all of the categories shall be on a proportionate basis. In case of under-subscription in the net offer to the public portion, spill over to the extent of under subscription shall be permitted from the reserved category of the net offer to public portion. For more information, please refer to the section titled "Basis of Allotment" on page 392 of this Prospectus.
- All information shall be made available by the GCBRLMs and BRLMs, Syndicate Members and the Company to the public and investors at large and no selective or additional information would be available for a section of the investors in any manner whatsoever.

- Trading in the Equity Shares shall be in dematerialised form only.

We were originally incorporated as Sea Breeze Constructions and Investments Private Limited on February 8, 1985 under the Companies Act, 1956 with the RoC. The name of our Company was changed to Godrej Properties and Investments Private Limited pursuant to a special resolution of the shareholders dated July 2, 1990. The fresh certificate of incorporation consequent upon the name change was granted to us on July 16, 1990. In the year 1991, the status of our Company was changed to a deemed public company by deletion of the word “private” from the name of the Company and subsequently the status was changed to a public limited company pursuant to a special resolution of the members passed at the extraordinary general meeting on August 1, 2001 and the same was approved by the RoC on September 18, 2001. Our name was further changed to Godrej Properties Limited pursuant to a special resolution of the members passed at the extraordinary general meeting on November 23, 2004. The fresh certificate of incorporation consequent to the change of name was granted on December 10, 2004 by the RoC.

We had filed a draft red herring prospectus dated May 28, 2008 with SEBI in relation to a proposed initial public offering of the Equity Shares and had received SEBI observations vide letter no. CFD/DIL/PB/165109/2009 dated June 02, 2009. However, in terms of Regulation 11(4) of the SEBI Regulations, the Company required a fresh filing of the DRHP and thus the Company had refiled the DRHP dated October 22, 2009 with SEBI on October 23, 2009.

SECTION III: INTRODUCTION

SUMMARY OF OUR BUSINESS, STRENGTHS AND STRATEGY

Overview

We are one of the leading real estate development companies in India (*Source: Construction World – “India’s Top 10 Builders”*) and are based in Mumbai, Maharashtra. We currently have real estate development projects in 10 cities in India, which are at various stages of development. Currently, our business focuses on residential, commercial and township developments. We are a fully integrated real estate development company involved in all activities associated with the development of residential and commercial real estate. We undertake our projects through our in-house team of professionals and by partnering with companies with domestic and international operations (See our Operation Methodology flow chart on page 100 of this Prospectus).

Our parent company, Godrej Industries Limited, currently holds 80.26% of our equity share capital. Godrej Industries Limited is the listed flagship company of the Godrej group of companies. The Godrej group of companies includes Godrej & Boyce Manufacturing Company Limited and is one of the leading conglomerates in India. The Godrej group was awarded the “Corporate Citizen of the Year” award by the Economic Times in 2003 and the Godrej brand was selected as the fourth best brand in India in The Week magazine’s ‘Mood of the Nation @ 60’ survey published on August 19, 2007.

Our residential portfolio consists of various types of accommodation of varying sizes. In our commercial portfolio, we build office space catering to blue-chip Indian and international companies, IT parks catering to the requirements of IT/ITES companies and retail space. Our township portfolio includes integrated townships consisting of residential and commercial developments. During the fiscal year 2009, our total revenue contribution from operation of our commercial activities, residential activities and other income operations was Rs. 167.66 Crores, Rs. 59.59 Crores and Rs. 23.01 Crores, respectively.

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

“Developable Area” refers to the total area which we develop in each project, and includes carpet area, common area, service and storage area, as well as other open area, including car parking. Such area, other than car parking space, is often referred to in India as “super built-up” area. “Saleable Area” refers to the part of the Developable Area relating to our economic interest in such property. As of October 31, 2009, we have completed a total of 23 projects comprising 16 residential and seven commercial projects, aggregating approximately 5.13 million sq. ft. of Developable Area.

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

Our total Land Reserves currently stand at 391.04 acres, aggregating to approximately 82.74 million sq. ft. of Developable Area and 50.21 million sq. ft. of Saleable Area, which includes our Ongoing Projects and Forthcoming Projects. The aforesaid Land Reserves include 64.23 acres which are in the process of being aggregated.

The table below provides our Land Reserves and estimated Developable Area and Saleable Area by cities as of October 31, 2009:

City	Estimated Developable Area (in million sq. ft.)	Estimated Saleable Area (in million sq. ft.)	Acreage*
Mumbai	3.69	2.26	38.85
Pune	12.32	1.33	26.23
Bengaluru	2.51	1.86	21.46
Kolkata	6.93	2.82	16.72
Hyderabad	9.60	9.60	34.00
Mangalore	0.83	0.61	4.53
Ahmedabad	40.43	27.38	223.51
Chandigarh	0.68	0.31	1.84
Kochi	2.52	1.76	15.16
Chennai	3.23	2.26	8.75
TOTAL	82.74	50.21	391.04

* Area refers to the share of the Company only.

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

Group Company	City	Acreage
Godrej & Boyce Manufacturing Company Limited	Mohali (Chandigarh)	75
Godrej Agrovet Limited	Bengaluru	100
Godrej & Boyce Manufacturing Company Limited	Hyderabad	10
TOTAL		185

We use the “joint development model” for developing properties, which entails entering into a development agreement with the owner(s) of the land parcel(s) sought to be developed. Typically, the land owner is paid an advance amount at the time of executing the development agreement. The development agreement generally states that the land owner(s) is entitled, as compensation, to a share in the developed property or a share of the revenues or profits generated from the sale of the developed property, or a combination of all or two of the above entitlements after adjusting the advance amount paid earlier.

In certain instances, we execute a memorandum of understanding with a party who has negotiated the acquisition of the land parcel(s) with the land owner(s) and is in the process of acquiring such land parcel(s). We pay an advance amount to the party acquiring the land parcel(s) to assist in entering into the required agreements to document the acquisition. The party acquiring the land parcel(s) as described above is generally referred to as an “aggregator”, the land parcel(s), the subject of the acquisition as “aggregated land” and the entire process until the execution of the development agreement or such other document with the aggregator as “aggregation”.

Our consolidated total income was Rs. 115.12 Crores for the period ended September 30, 2009, Rs. 250.25 Crores for the fiscal year 2009 and Rs. 227.51 Crores for the fiscal year 2008, as compared to Rs. 137.26 Crores for the fiscal year 2007. Our consolidated profit after tax and minority interest was Rs. 47.74 Crores for the period ended September 30, 2009, Rs. 75.63 Crores for the fiscal year 2009 and Rs. 75.02 Crores for the fiscal year 2008, as compared to Rs. 28.82 Crores for the fiscal year 2007.

Our Strengths

We believe that the following are our principal strengths:

Established brand name

We are a part of the Godrej group of companies, which is one of the leading conglomerates in India. We believe the “Godrej” brand is instantly recognisable amongst the populace in India due to its long presence in the Indian market, the diversified businesses in which the Godrej group operates and the trust we believe it has developed over 112 years of operations. The Godrej group was awarded the “Corporate Citizen of the Year” award by the Economic Times in 2003 and the Godrej brand was selected as the fourth best brand in India in The Week magazine’s ‘Mood of the Nation @ 60’ survey published on August 19, 2007.

We believe we have carried forward this brand name and reputation for quality to the real estate market in our locations of operation. Transparency and efficiency in operations have helped us in developing long-term relationships with our customers as well as investors in the real estate market, business partners, contractors and suppliers. We have received many business awards and recognition, including being featured among “India’s Top 10 Builders” in 2006, 2007, 2008 and 2009 by Construction World and “India’s Best Companies to Work For” (first in construction and real estate) in 2009 by Great Places to Work, India, in partnership with the Economic Times. In 2008, we received the Corporate Governance of the Year award by Accommodation Times.

Land Reserves in strategic locations

As of October 31, 2009, we have Land Reserves comprising 391.04 acres aggregating approximately 82.74 million sq. ft. of Developable Area and 50.21 million sq. ft. of Saleable Area, located in or near prominent and growing cities across India, such as Mumbai, Pune, Bengaluru and Ahmedabad. These include land parcels which we own directly, and land parcels over which we have development rights through agreements or memoranda of understanding.

Business development model

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

Execution methodology

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

We also use IT software and systems to improve productivity and monitor our projects and sales. For example, we use critical chain project management or “CCPM” methodology to manage our projects. In the real estate industry, where uncertainties, delays and budget overruns are frequent, we believe that CCPM builds reliability in the timely completion of our projects. To facilitate CCPM, we use “Concerto”, a CCPM specialised software, to ensure the effective control and monitoring of our projects by our core management team. Concerto software allows multi-site communications and provides critical chain scheduling features, reporting formats and portfolio management features. It aids in reducing losses of time and capacity, dealing with uncertainties and ensuring our commitments are met. We have also completed the implementation of SAP enterprise resource planning system to streamline operations, improve productivity and reduce costs. Finally, we have recently completed implementation of Salesforce CRM for two of our projects, which captures and tracks lead data, customer communication, campaigns and customer complaints. We expect that this software will help to increase our rate of lead conversion, track campaign interest and customer interactions.

We also associate with other third party architects, project management consultants, contractors and international property consultants.

Emphasis on innovation

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

Qualified and skilled employee base and human resource practices

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

Our Business Strategies

The following are the key elements of our business strategy:

Enhance and leverage the Godrej brand and the group resources

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

We believe that the strength of the Godrej brand and its association with trust, quality and reliability help us in many aspects of our business, including land sourcing, expanding to new cities and markets, formulating business associations and building relationships with our customers, service providers, process partners, investors and lenders. In addition, our association with the Godrej group helps us leverage group resources, including corporate governance best practices. For example, we were actively involved in a group-wide branding initiative that was conducted by Interbrand, a London-based brand consultant, in which Godrej Properties was identified, along with the personal grooming, furniture and aerospace divisions, as one of the "hero" businesses of the group. We intend to leverage the brand equity that we enjoy as a result of our relationship with the Godrej group of companies to expand our business. To further this strategy, we have engaged Brand Finance India, an independent brand valuation and strategy firm, to conduct a branded business valuation exercise to measure the economic value added by the Godrej brand to our business and to demonstrate how the Godrej brand can be used to attract future joint ventures and partners in order to build our pipeline of projects.

Continue to utilize effective development model to optimize resources

We intend to continue to develop most of our projects through joint development agreements with land owners. As of October 31, 2009 many of our projects have been or are being executed on a joint development basis (Please refer to “Land Reserves” on page 81 of this Prospectus). We enter into revenue, profit or area sharing agreements with the land owners, instead of outright purchase of the land, which reduces our debt exposure and corresponding risk. This model has been beneficial for us in economic downturns and has provided stability to our business. In cases where we own a percentage interest in the development, we may selectively and opportunistically decide to sell our interest in such property where we perceive significant revenues from such transactions may be recognized.

Maintain our presence in metros and upcoming growth centres

We currently have a presence in 10 cities across India. We intend to maintain our presence in metropolitan cities and other high growth cities across the country. We have either acquired or are in the process of acquiring development rights in Mumbai, Bengaluru, Chennai, Hyderabad, Pune, Kolkata, Ahmedabad, Kochi, Chandigarh and Mangalore for residential, commercial and integrated township projects. We believe that the economic growth in these cities will result in increased demand for residential housing, as well as retail and commercial spaces. We recognise that continuing to build on our land reserves in our existing markets is critical to our growth strategy.

Focus on execution

We intend to continue to scale up the size of our operations and our project teams. We recognise the importance of delivering quality projects on a timely basis. We intend to increase the scale of our business while staying focused on quality. Selective outsourcing of the development process enables us to undertake more projects and source best-in-class development partners, while optimally utilising our resources. For example, we have entered into a memorandum of understanding with Larsen & Toubro Limited for its appointment as a contractor for the development of some of our future projects. We intend to continue to outsource activities such as design, architecture and construction to the best possible partners. For example, we have commissioned Pelli Clarke Pelli Architects, who have worked on prestigious projects around the world, such as the Petronas Towers in Kuala Lumpur, One Canada Square at Canary Wharf in London and the International Finance Centre in Hong Kong, to master plan and design our Vikhroli development, and we intend to commission them for designing the first commercial building within the development. In addition, we have a dedicated team from P.G. Patki Architects working on some of our projects.

We also use Information Technology (IT) to support our execution capabilities. All our projects are currently operational on SAP. We have implemented several initiatives and processes to enhance our execution capabilities by engaging Goldratt Consulting in implementing their “Theory of Constraints” with CCPM. See “– Strengths – Execution methodology” above for details on CCPM. We have also implemented Sales Force Customer Relationship Management (CRM) system for managing leads and tracking customer interactions.

Focus on sustainable development

We intend to bring sustainable design to all of our projects. For example, the Ahmedabad township project has been chosen as one among sixteen projects around the world by the Clinton Climate Initiative to work towards being climate positive. In addition, we have commissioned Atelier Ten, a well regarded sustainability consulting firm, to guide us in achieving environmentally responsible design that will result in reduced operating costs for the Vikhroli development. Reduced operating costs are particularly important for the Vikhroli development because we intend to hold the commercial space.

SUMMARY FINANCIAL INFORMATION

The selected historical restated non-consolidated and consolidated summary financial information presented below as at and for the financial years ended March 31, 2005, 2006, 2007, 2008 and 2009 and for the period ended September 30, 2009 has been prepared in accordance with Indian GAAP and should be read together with the Auditors' Reports and the non-consolidated and consolidated financial statements and notes thereto contained in this Prospectus and the sections entitled "Financial Information", "Management's Discussion and Analysis of Financial Condition and Results of Operations" and "Our Business" on page 196, 291 and 77 respectively, of this Prospectus. The summary non-consolidated and consolidated financial information presented below does not purport to project our results of operation or financial condition. Our financial year ends on March 31 of each year, so all references to a particular financial year are to the twelve months ending March 31 of that year.

STANDALONE SUMMARY STATEMENT OF ASSETS AND LIABILITIES, AS RESTATED

Rs. in Crores						
PARTICULARS	AS AT 30.09.2009	AS AT MARCH 31,				
		2009	2008	2007	2006	2005
FIXED ASSETS						
Gross Block	13.97	7.51	5.41	4.44	3.64	2.78
Less : Accumulated Depreciation	4.73	3.73	2.73	2.03	1.47	1.43
Net Block	9.24	3.78	2.68	2.41	2.17	1.35
Capital Work in Progress / Advance	-	3.25	0.21	0.21	-	-
	9.24	7.03	2.89	2.62	2.17	1.35
INVESTMENTS	40.00	55.72	55.69	8.36	6.43	~*
DEFERRED TAX ASSET	0.51	0.49	0.38	0.37	0.29	0.23
CURRENT ASSETS, LOANS AND ADVANCES						
Inventories	123.62	52.50	11.56	78.79	20.48	18.21
Sundry Debtors	469.59	454.27	405.71	219.79	82.81	40.96
Cash and Bank Balances	5.65	14.73	6.40	13.37	14.99	4.18
Loans & Advances	747.24	588.84	491.16	102.20	66.96	75.63
	1,346.10	1,110.34	914.83	414.15	185.24	138.98
LIABILITIES & PROVISIONS						
Secured Loan	432.71	256.69	98.58	17.39	1.56	18.72
Unsecured Loan	158.69	190.36	152.98	113.71	6.09	25.45
Current Liabilities	449.16	408.70	439.89	236.66	130.61	54.39
Provisions	9.51	19.68	41.20	12.72	9.28	0.47
	1,050.07	875.43	732.65	380.48	147.54	99.03
NET WORTH	345.78	298.15	241.14	45.02	46.59	41.53
REPRESENTED BY						

PARTICULARS	AS AT 30.09.2009	AS AT MARCH 31,				
		2009	2008	2007	2006	2005
SHARE CAPITAL	60.42	60.42	60.42	6.44	6.44	6.44
RESERVES & SURPLUS	285.36	237.73	180.72	38.58	40.15	35.09
NET WORTH	345.78	298.15	241.14	45.02	46.59	41.53
* Represents amount less than Rs. 50,000						

STANDALONE SUMMARY STATEMENT OF PROFITS AND LOSSES, AS RESTATED

Rs. in Crores							
PARTICULARS		FOR THE PERIOD 01.04.2009 to 30.09.2009	FOR THE YEAR ENDED MARCH 31,				
			2009	2008	2007	2006	2005
INCOME							
Sales		15.20	125.94	196.49	117.25	56.77	33.92
Operating Income		15.67	20.08	30.95	19.98	12.99	7.71
Other Income		58.44	42.11	0.06	0.03	0.70	0.22
Total Income		89.31	188.13	227.50	137.26	70.46	41.85
EXPENDITURE							
Cost of Sales		14.09	64.46	86.78	75.84	42.52	26.14
Employee Remuneration & Benefits		1.40	3.75	9.80	6.95	2.29	1.85
Administration Expenses		5.19	9.97	10.93	3.53	1.98	1.17
Interest & Finance Charges (Net)		1.72	2.85	3.82	4.15	5.30	3.56
Depreciation		1.00	1.07	0.85	0.69	0.51	0.33
Total Expenditure		23.40	82.10	112.18	91.16	52.60	33.05
PROFIT BEFORE TAX AND EXTRAORDINARY ITEMS		65.91	106.03	115.32	46.10	17.86	8.80
EXTRAORDINARY ITEMS		-	-	-	-	-	-
PROFIT AFTER EXTRAORDINARY ITEMS BUT BEFORE TAX		65.91	106.03	115.32	46.10	17.86	8.80
PROVISION							
For Current Tax		(18.30)	(31.30)	(40.29)	(16.88)	(5.74)	(3.07)
For Fringe Benefit Tax		-	(0.16)	(0.13)	(0.08)	(0.05)	-
For Deferred Tax		0.02	0.11	0.01	0.08	0.06	0.05
PROFIT AFTER TAX AND EXTRAORDINARY ITEMS		47.63	74.68	74.91	29.22	12.13	5.78
Surplus Brought Forward		75.05	25.54	5.67	11.38	7.66	5.35
AMOUNT AVAILABLE FOR APPROPRIATION		122.68	100.22	80.58	40.60	19.79	11.13
Less:							
Interim Dividend		-	-	-	27.00	6.20	2.55
Proposed Dividend		-	15.10	24.61	-	-	-

PARTICULARS	FOR THE PERIOD 01.04.2009 to 30.09.2009	FOR THE YEAR ENDED MARCH 31,				
		2009	2008	2007	2006	2005
Dividend Distribution Tax	-	2.57	4.18	3.79	0.87	0.33
Transfer to General Reserve	-	7.50	7.60	4.14	1.34	0.59
SURPLUS CARRIED FORWARD TO BALANCE SHEET	122.68	75.05	44.19	5.67	11.38	7.66

CONSOLIDATED SUMMARY STATEMENT OF ASSETS AND LIABILITIES, AS RESTATED

PARTICULARS	Rs. in Crores					
	AS AT	AS AT MARCH 31,				
	30.09.2009	2009	2008	2007	2006	2005
FIXED ASSETS						
Gross Block	30.87	39.84	39.86	6.28	5.39	4.51
Less : Accumulated Depreciation	4.94	3.89	2.82	2.05	1.47	1.43
Net Block	25.93	35.95	37.04	4.23	3.92	3.08
Capital Work in Progress / Advance	-	3.25	0.21	0.21	-	-
	25.93	39.20	37.25	4.44	3.92	3.08
INVESTMENTS						
	_*	_*	_*	_*	_*	_*
DEFERRED TAX ASSET						
	0.51	0.49	0.38	0.37	0.30	0.24
CURRENT ASSETS, LOANS AND ADVANCES						
Inventories	649.59	475.86	284.79	117.20	23.16	19.28
Sundry Debtors	554.64	513.52	405.71	219.79	82.81	40.96
Cash and Bank Balances	7.98	26.87	8.63	16.11	18.51	4.18
Loans & Advances	481.82	396.40	285.36	90.37	71.65	72.82
	1,694.03	1,412.65	984.49	443.47	196.13	137.24
LIABILITIES & PROVISIONS						
Secured Loan	642.00	465.98	120.14	24.74	7.19	18.72
Unsecured Loan	158.69	190.36	152.98	113.71	6.09	25.45
Current Liabilities	562.34	475.66	466.35	252.11	130.71	54.39
Provisions	9.00	19.86	41.09	12.72	9.28	0.47
	1,372.03	1,151.86	780.56	403.28	153.27	99.03
MISCELLANEOUS EXPENDITURE						
Preliminary Expenditure	0.01	0.01	_*	0.01	_*	_*
	0.01	0.01	_*	0.01	_*	_*
NET WORTH						
	348.45	300.49	241.56	45.01	47.08	41.53
REPRESENTED BY						

PARTICULARS	AS AT		AS AT MARCH 31,			
	30.09.2009	2009	2008	2007	2006	2005
SHARE CAPITAL	60.42	60.42	60.42	6.44	6.44	6.44
RESERVES & SURPLUS	286.13	238.39	180.43	38.18	40.15	35.09
MINORITY INTEREST	1.90	1.68	0.71	0.39	0.49	-
NET WORTH	348.45	300.49	241.56	45.01	47.08	41.53
* Represents amount less than Rs. 50,000						

CONSOLIDATED SUMMARY STATEMENT OF PROFITS AND LOSSES, AS RESTATED

Rs. in Crores						
PARTICULARS	FOR THE PERIOD 01.04.2009 to 30.09.2009	FOR THE YEAR ENDED MARCH 31,				
		2009	2008	2007	2006	2005
INCOME						
Sales	41.00	185.18	196.49	117.25	56.77	33.92
Operating Income	15.67	20.08	30.95	19.98	12.99	7.71
Other Income	58.45	44.99	0.07	0.03	0.70	0.22
Total Income	115.12	250.25	227.51	137.26	70.46	41.85
EXPENDITURE						
Cost of Sales	39.88	121.11	86.78	75.84	42.52	26.14
Staff Cost	1.40	3.75	9.80	6.95	2.29	1.85
Administration Expenses	5.20	9.98	10.93	4.08	1.98	1.17
Interest & Finance Charges (Net)	1.32	5.33	3.82	4.05	5.30	3.56
Depreciation	1.05	1.15	0.92	0.70	0.51	0.33
Total Expenditure	48.85	141.32	112.25	91.62	52.60	33.05
PROFIT BEFORE TAX, MINORITY INTEREST AND EXTRAORDINARY ITEMS	66.27	108.93	115.26	45.64	17.86	8.80
EXTRAORDINARY ITEMS	-	-	-	-	-	-
PROFIT AFTER EXTRAORDINARY ITEMS BUT BEFORE TAX AND MINORITY INTEREST	66.27	108.93	115.26	45.64	17.86	8.80
PROVISION						
For Current Tax	(18.42)	(32.31)	(40.29)	(16.92)	(5.74)	(3.07)
For Fringe Benefit Tax	-	(0.17)	(0.13)	(0.08)	(0.05)	-
For Deferred Tax	0.02	0.11	0.01	0.08	0.06	0.05
NET PROFIT AFTER TAX BUT BEFORE MINORITY INTEREST	47.87	76.56	74.85	28.72	12.13	5.78
Minority Interest	(0.13)	(0.93)	0.17	0.10	-	-
NET PROFIT AFTER TAX AND MINORITY INTEREST	47.74	75.63	75.02	28.82	12.13	5.78
Surplus Brought Forward	75.71	25.25	5.27	11.38	7.66	5.35
AMOUNT AVAILABLE FOR APPROPRIATION	123.45	100.88	80.29	40.20	19.79	11.13

PARTICULARS	FOR THE PERIOD 01.04.2009 to 30.09.2009	FOR THE YEAR ENDED MARCH 31,				
		2009	2008	2007	2006	2005
Less:						
Interim Dividend	-	-	-	27.00	6.20	2.55
Proposed Dividend	-	15.10	24.61	-	-	-
Dividend Distribution Tax	-	2.57	4.18	3.79	0.87	0.33
Transfer to General Reserve	-	7.50	7.60	4.14	1.34	0.59
SURPLUS CARRIED FORWARD TO BALANCE SHEET	123.45	75.71	43.90	5.27	11.38	7.66

Notes:

1. During Fiscal 2009, the Company borrowed an amount of Rs. 60.00 Crores from Central Bank of India and further during the quarter ended June 30, 2009 the Company borrowed an additional amount of Rs. 90.00 Crores from Central Bank of India aggregating to a total borrowings of Rs. 150.00 Crores from Central Bank of India as on June 2009. In addition to this, the Company utilised the cash credit facility provided by State Bank of India for an amount aggregating Rs. 98.12 Crores during Fiscal 2009 and additionally utilized an amount of Rs. 80.49 Crores during the period ended June 30, 2009 taking the total borrowings from State Bank of India to Rs. 196.69 Crores and Rs. 277.19 Crores respectively as on March 2009 and June 2009. These loans are availed to meet the ongoing business requirement of the Company.
2. The increase in the inventories of the Company from Rs. 52.50 Crores in Fiscal 2009 to Rs. 98.03 Crores in June 2009 is mainly due to increase in the construction work in progress of the various projects under execution by the Company which form part of the inventory schedule.
3. The reduction in the cash balance of the Company from Rs. 26.87 Crores in March 2009 to Rs. 7.02 Crores in June 2009 is mainly due to utilization of funds by the Company for the ongoing business purpose. For a detailed break-up of the movement in cash balances of the Company refer to the cash flow statement provided on page 203 and 252 of the Prospectus.

THE ISSUE

Issue of Equity Share	94,29,750 Equity Shares*
Of which:	
QIB Portion**	At least 56,57,850 Equity Shares*# (Allocation on a proportionate basis)
of which	
Available for Mutual Funds only	2,82,893 Equity Shares*# (Allocation on a proportionate basis)
Balance of QIB Portion (available for QIBs including Mutual Funds)	53,74,957 Equity Shares*# (Allocation on a proportionate basis)
Non-Institutional Portion	Not less than 9,42,975 Equity Shares* (Allocation on a proportionate basis)
Retail Portion	Not less than 28,28,925 Equity Shares* (Allocation on a proportionate basis)

Pre and post-Issue Equity Shares

Equity Shares outstanding prior to the Issue	6,04,20,259 Equity Shares
Equity Shares outstanding after the Issue	6,98,50,009 Equity Shares

Use of Issue Proceeds

See “Objects of the Issue” on page 43 of this Prospectus for information about the use of the Issue Proceeds.

Allocation to all categories, except Anchor Investor Portion, shall be made on a proportionate basis.

- * Undersubscription, if any, in any categories except the QIB Portion, would be allowed to be met with spill over from any of the other categories, at the sole discretion of the Company, in consultation with the GCBRLMs and the BRLMs and the Designated Stock Exchange. If at least 60% of the Issue is not allocated to QIBs, the entire subscription monies shall be refunded.
- ** Provided that, the Company may, allocate up to 30% of the QIB Portion to Anchor Investors on a discretionary basis in accordance with the SEBI Regulations. One-third of the Anchor Investor Portion shall be reserved for domestic mutual fund, subject to valid Bids being received from domestic mutual funds at or above the price at which allocation being done to Anchor Investors. For details, please see the section titled “Issue Procedure” on page 370 of this Prospectus.
- # 94,29,750 Equity Shares where 16,97,345 Equity Shares were issued for cash at a price of Rs. 530 per Equity Share (including a share premium of Rs.520 per Equity Share) and 77,32,405 Equity Shares were issued for cash at a price of Rs. 490 per Equity Share (including share premium of Rs. 480 per Equity Share) collectively aggregating to Rs. 468.85 Crores.

GENERAL INFORMATION

We were originally incorporated as Sea Breeze Constructions and Investments Private Limited on February 8, 1985 under the Companies Act, 1956 with the RoC. The name of our Company was changed to Godrej Properties and Investments Private Limited pursuant to a special resolution of the shareholders dated July 2, 1990. The fresh certificate of incorporation consequent upon the name change was granted to us on July 16, 1990. In the year 1991, the status of our Company was changed to a deemed public company by deletion of the word “Private” from the name of the Company. Subsequently the status was changed to a public limited company pursuant to a special resolution of the members passed at the extraordinary general meeting on August 1, 2001 and the same was approved by the RoC on September 18, 2001. Our name was further changed to Godrej Properties Limited pursuant to a special resolution of the members passed at the extraordinary general meeting on November 23, 2004. The fresh certificate of incorporation consequent to the change of name was granted on December 10, 2004 by the RoC. For details of the change in our registered office, please refer to the section titled “History and Corporate Structure” on page 117 of this Prospectus.

Registered and Corporate Office of our Company

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

Address of Registrar of Companies

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

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

Board of Directors

Our Board comprises the following:

Name, Designation and Occupation	Age (years)	Address
Mr. Adi B. Godrej Chairman (Non-Executive) <i>Industrialist</i>	67	Aashraye, Godrej House, 67 H, Walkeshwar Road, Mumbai – 400 006
Mr. Jamshyd N. Godrej Director (Non-Executive) <i>Industrialist</i>	60	40-D, The Trees, B. G. Kher Marg, Malabar Hill, Mumbai – 400 006
Mr. Nadir B. Godrej	58	40-D, The Trees, B. G. Kher Marg, Malabar Hill, Mumbai –

Name, Designation and Occupation	Age (years)	Address
Director (Non-Executive) <i>Industrialist</i>	400 006	
Mrs. Parmeshwar A. Godrej Director (Non-Executive) <i>Company Director</i>	65	Aashraye, Godrej House, 67 H, Walkeshwar Road, Mumbai – 400 006
Mr. Milind S. Korde Managing Director <i>Service</i>	46	302, Hira Baug, Plot No. 254, Telang Road, Matunga, Mumbai – 400 019
Mr. Amit B. Choudhury Independent Director <i>Company Director</i>	66	C-304, Golden Oak CHS, Hiranandani Gardens, Powai, Mumbai – 400 076
Mr. Keki B. Dadiseth Independent Director <i>Company Director</i>	63	8A, Manek, L. D. Ruparel Marg, Malabar Hill, Mumbai- 400 006
Mrs. Lalita D. Gupte Independent Director <i>Banker/Financial Expert</i>	61	Mhaskar Building, 153 – C, Sir Bhalchandra Road, Matunga, Mumbai – 400 019
Mr. Pranay Vakil Independent Director <i>Company Director</i>	62	701, A Wing, Olympus Apartments 5C, Altamount Road, Mumbai – 400 026
Dr. Pritam Singh Independent Director <i>Professor</i>	68	H.No. A-2/14, PWO Complex, Plot No. 1A, Sector 43, Gurgaon – 122 001, Haryana
Mr. Pirojsha A. Godrej Executive Director <i>Service</i>	29	Aashraye, Godrej House, 67 H, Walkeshwar Road, Mumbai – 400 006

Name, Designation and Occupation	Age (years)	Address
Mr. S. Narayan	66	8, Golf Apartments, Sujan Singh Park, New Delhi – 110003
Independent Director		
<i>Retired IAS officer</i>		

For further details of our Directors, see the section titled “Our Management” on page 136 of this Prospectus.

Company Secretary and Compliance Officer

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

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

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

All grievances relating to the ASBA process may be addressed to the Registrar to the Issue, with a copy to the SCSBs, 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 SCSBs where the ASBA Form was submitted by the ASBA Bidders.

For all Issue related queries and for redressal of complaints, investors may also write to the GCBRLMs and BRLMs. All complaints, queries or comments received by SEBI shall be forwarded to the GCBRLMs and BRLMs, who shall respond to the same.

Global Co-ordinators and Book Running Lead Managers

ICICI Securities Limited

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

Kotak Mahindra Capital Company Limited

1st Floor, Bakhtawar,
229 Nariman Point,
Mumbai 400 021
Tel: (91 22) 6634 1100
Fax: (91 22) 2283 7517
Email: gpl.ipo@kotak.com
Website: www.kotak.com
Investor Grievance ID: kmccredressal@kotak.com
Contact Person: Mr. Chandrakant Bhole
SEBI Registration No.: INM000008704

Book Running Lead Managers

IDFC – SSKI Limited

803-4 Tulsiani Chambers,
8th Floor, Nariman Point, Mumbai 400 021, India

Nomura Financial Advisory And Securities (India) Private Limited

Ceejay House, Level 11, Dr. Annie Besant Road,

Tel: (91 22) 6638 3333
Fax: (91 22) 2204 0282
Email: gpl.ipo@idfcsski.com
Website: www.idfcsski.com
Investor Grievance ID: complaints@idfcsski.com
Contact Person: Mr. Shirish Chikalge
SEBI Registration No.: INM000011336

Worli, Mumbai – 400 018, India
Tel: (91 22) 4037 4037
Fax: (91 22) 4037 4111
Email id: gpl.ipo-in@nomura.com
Website: http://www.nomura.com/asia/services/capital_raising/equity.shtml
Investor Grievance ID: investorgrievances-in@nomura.com
Contact Person: Mr. Shreyance Shah
SEBI registration number: INM000011419

Self Certified Syndicate Banks

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

Syndicate Member

Kotak Securities Limited

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

Sharekhan Limited

A 206, Phoenix House, Second Floor
Senapati Bapat Marg, Lower Parel
Mumbai – 400 013
Tel: (91 22) 6748 2000
Fax: (91 22) 2498 2626
Email: pankajp@sharekhan.com
Website: www.sharekhan.com
Contact Person: Mr. Pankaj Patel
BSE: INB011073351
NSE: INB231073330

Legal Advisors

Domestic Legal Counsel to the Company

Amarchand & Mangaldas & Suresh A. Shroff & Co.

5th Floor, Peninsula Chambers,
Peninsula Corporate Park,
Ganpatrao Kadam Marg, Lower Parel,
Mumbai 400 013
Tel: (91 22) 2496 4455
Fax: (91 22) 2496 3666

Domestic Legal Counsel to the Underwriters

Luthra & Luthra Law Offices

704 – 706, 7th Floor, Embassy Centre,
Nariman Point,
Mumbai 400 021
Tel: (91 22) 6630 3600
Fax: (91 22) 6630 3700
Email: luthra@LUTHRA.COM

International Legal Counsel to the Underwriters

Jones Day

3 Church Street,
#14-02 Samsung Hub,

Singapore 049483
Tel: (65) 6538 3939
Fax: (65) 6536 3939
Email: gplipo@jonesday.com

Registrar to the Issue

Karvy Computershare Private Limited

Plot No. 17-24, Vittal Rao Nagar
Madhapur, Hyderabad – 500 081
Tel: (91 40) 2342 0815
Fax: (91 40) 2343 1551
Email: murali@karvy.com
Website: www.karvy.com
Investor Grievance ID: gpl.ipo@karvy.com
Contact Person: Mr. M. Muralikrishna
SEBI Registration No.: INR000000221

Bankers to the Issue and Escrow Collection Banks

ICICI Bank Limited

Capital Market Group,
30, Mumbai Samachar Marg,
Fort, Mumbai 400 001
Tel: (91 22) 2262 7600
Fax: (91 22) 2261 1138
Email: Venkataraghavan.t@icicibank.com
Contact Person: Mr. Venkataraghavan T A
Website: www.icicibank.com
SEBI Registration No.: INBI00000004

State Bank of India

Capital Market Branch
Ground floor,
Mumbai Main Branch Building
Mumbai Samachar Marg
Fort Mumbai 400 023
Tel: (91 22) 22691561 / 22662133
Fax: (91 22) 22670745 / 22664959
Email: vidya.krishnan@sbi.co.in
sbi.11777@sbi.co.in
Contact Person: Vidya Krishnan
Website: www.statebankofindia.com
SEBI Registration No.: INBI000000038

Kotak Mahindra Bank Limited

Kotak Infiniti, 6th Floor,
Building No. 21, Infinity Park
Off Western Express Highway,
General AK Vaidya Marg, Malad (E)
Mumbai
Tel: (91 22) 6605 6587
Fax: (91 22) 6605 6642
Email: sanjay.sawant@kotak.com
Contact Person: Sanjay Sawant
Website: www.kotak.com
SEBI Registration No.: INBI000000927

IDBI Bank Limited

Unit No. 2, Corporate Park, Near Swastik Chambers,
Sion - Trombay Road, Chembur,
Mumbai 400 071
Tel: (91 22) 6690 8402
Fax: (91 22) 6690 8424
Email: mn.kamat@idbi.co.in
Contact Person: Mr. M N Kamat - General Manager
Website: www.idbibank.com
SEBI Registration No.: INBI000000076

The Hongkong and Shanghai Banking Corporation Limited - HSBC Securities Services

Shiv Building, Plot No. 139-140B, Western Express Highway, Sahar Road Junction, Vile Parle (E),
Mumbai 400 057
Tel: (91 22) 4035 7458
Fax: (91 22) 4035 7657
Email: swapnilpavale@hsbc.co.in
Contact Person: Swapnil Pavale
Website: www.hsbc.co.in
SEBI Registration No.: INBI00000027

HDFC Bank Limited

HDFC Bank Limited, Lodha, FIG - OPS Department, - I Think Techno Campus, O-3 Level, Next to Kanjurmarg Railway Station, Kanjurmarg (East), Mumbai 400 042
Tel: (91 22) 3075 2928
Fax: (91 22) 2579 9801
Email: deepak.rane@hdfcbank.com
Contact Person: Deepak Rane
Website: www.hdfcbank.com
SEBI Registration No.: INBI00000063

Bankers to the Company

State Bank of India

Corporate Accounts Group Branch
23, J.N. Heredia Marg,
"Voltas House" Ballard Estate,
Mumbai 400 001
Tel: (91 22) 6635 6611
Fax: (91 22) 2288 4133
Email: dgm.09995@sbi.co.in
Website: www.statebankofindia.com

IDBI Bank Limited

224, 'A' Wing,
Mittal Court, Nariman Point
Mumbai 400 021
Tel: (91 22) 6658 8100
Fax: (91 22) 6658 8111 / 6658 8130
Email: ajay.sharma@idbi.co.in
Website: www.idbi.com

Auditors to the Company

M/s. Kalyaniwalla & Mistry,

Chartered Accountants

Kalpataru Heritage, 5th Floor,
127, M. G. Road, Fort,
Mumbai 400 001
Tel: (91 22) 6158 6200
Fax: (91 22) 2267 3964
Email: eirani@mazars.in
Website: www.km.co.in

Monitoring Agent

Our Company has appointed SICOM Limited as a monitoring agency in compliance with Regulation 16 of the SEBI Regulations.

Inter Se Allocation of Responsibilities between the GCBRLMs and the BRLMs

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

Sr. No	Activity	Responsibility	Designated GCBRLM/BRLM
1	Capital structuring with the relative components and formalities such as composition of debt and equity, type of instruments, etc.	I-Sec, KMCC, IDFC-SSKI, Nomura	I-Sec

Sr. No	Activity	Responsibility	Designated GCBRLM/BRLM
2	Due diligence of the Company's operations/ management/business plans/ legal etc. Drafting and design of the Red Herring Prospectus and of statutory advertisement including memorandum containing salient features of the Prospectus. The GCBRLMs and BRLMs shall ensure compliance with stipulated requirements and completion of prescribed formalities with the Stock Exchanges, RoC and SEBI including finalisation of Prospectus and RoC filing including co-ordination with Auditors for preparation of financials and drafting and approving all statutory advertisements	I-Sec, KMCC, IDFC-SSKI, Nomura	I-Sec
3	Drafting and approval of all publicity material other than statutory advertisement as mentioned in (2) above including corporate advertisement, brochure, etc.	I-Sec, KMCC, IDFC-SSKI, Nomura	I-Sec
4	Appointment of legal counsels, printer(s), IPO Grading agency and advertising agency	I-Sec, KMCC, IDFC-SSKI, Nomura	I-Sec
5	Appointment of Registrar(s) and Banker(s) to the Issue	I-Sec, KMCC, IDFC-SSKI, Nomura	KMCC
6	Domestic institutional marketing including banks/ mutual funds marketing strategy: finalise the list and division of investors for one to one meetings.	I-Sec, KMCC, IDFC-SSKI, Nomura	KMCC
7	International institutional marketing strategy; finalise the list and division of investors for one to one meetings - Preparation and finalization of the road-show presentation; preparation of FAQs for the road-show team - Finalizing road show schedule and investor meeting schedules	I-Sec, KMCC, IDFC-SSKI, Nomura	I-Sec
8	Non-institutional and retail marketing of the Issue, which will cover, <i>inter alia</i> , • Formulating marketing strategies, preparation of publicity budget; • Finalising media and PR strategy; • Finalising centres for holding conferences for brokers etc.; • Finalising collection centres; and • Follow-up on distribution of publicity and Issue material including form, Prospectus and deciding on the quantum of the Issue material.	I-Sec, KMCC, IDFC-SSKI, Nomura	KMCC
9	Pricing and managing the book	I-Sec, KMCC, IDFC-SSKI, Nomura	I-Sec
10	Coordination with Stock-Exchanges for book building software, bidding terminals etc.	I-Sec, KMCC, IDFC-SSKI, Nomura	KMCC
11	The post Bidding activities including management of escrow accounts, co-ordinate non-institutional and institutional allocation, intimation of allocation and dispatch of refunds to bidders etc .	I-Sec, KMCC, IDFC-SSKI, Nomura	KMCC

Sr. No	Activity	Responsibility	Designated GCBRLM/BRLM
12	The post Bidding activities including invoking the underwriting obligations and ensuring that the underwriters pay the amount of devolvement, management of Escrow Accounts, follow-up with Bankers to the Issue, coordination non-institutional allocation, intimation of allocation and dispatch of refunds to Bidders etc. The post Issue activities will involve essential follow up steps, which include the finalisation of listing of instruments and dispatch of certificates and demat delivery of Equity Shares, with the various agencies connected with the work such as the Registrar to the Issue and Bankers to the Issue and the bank handling refund business and the SCSBs. (The designated co-ordinating GCBRLMs and BRLMs, as the case may be, shall be responsible for ensuring that these intermediaries fulfil their functions and enable it to discharge this responsibility through suitable agreements with the Company.)	I-Sec, KMCC, IDFC-SSKI, Nomura	KMCC

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

Credit Rating

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

IPO Grading

This Issue has been graded by ICRA Limited, a SEBI-registered credit rating agency, as IPO Grade 4, indicating above average fundamentals, by its letter dated November 25, 2009. ICRA Limited assigns IPO grading on a five-point scale of IPO Grade 5 through to IPO Grade 1, with Grade 5 indicating strong fundamentals and Grade 1 indicating poor fundamentals.

For details of in relation to the report of ICRA Limited furnishing rationale for the IPO, please refer to the Annexure beginning on page 434 of this Propectus. Special attention is drawn to the disclaimer of ICRA Limited appearing on page 437 of this Prospectus.

Experts

Except for the following the Company has not obtained any expert opinions:

- (i) the report of ICRA Limited in respect of the IPO grading of this Issue annexed herewith; and
- (ii) Architect's certificate dated October 20, 2009 provided by M/s. P. G. Patki Architects Private Limited in relation to the Land Reserves of our Company. The architect's certificate has been provided as a material document in the section titled "Material Contracts and Documents for Inspection" on page 430 of this Prospectus.

Trustees

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

Project Appraisal

There is no project being appraised.

Book Building Process

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

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

This being an issue for less than 25% of post issue equity capital of the Company, the SEBI Regulations read with rule 19(2) (b) of the SCRR, have permitted an issue of securities to the public through the 100% Book Building Process, wherein at least 60% of the Issue shall be allocated on a proportionate basis to QIBs. The Company has allocated 1,697,345 Equity Shares or 30 % of the QIB Portion to Anchor Investors at the Anchor Investor Issue Price on a discretionary basis. 5% of the QIB Portion (excluding 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 including the Mutual Funds subject to valid bids being received at or above the Issue Price. If at least 60% of the Issue cannot be allocated to QIBs, then the entire application money will be refunded forthwith. Further, not less than 10% of the Issue shall be available for allocation on a proportionate basis to Non Institutional Bidders and not less than 30% of the Issue shall be available for allocation on a proportionate basis to Retail Individual Bidders, subject to valid Bids being received at or above the Issue Price. The Company will comply with the SEBI Regulations and any other ancillary directions issued by SEBI for this Issue. In this regard, the Company has appointed the GCBRLMs and the BRLMs to manage the Issue and to procure subscriptions to the Issue.

QIB Bidders are not allowed to withdraw their Bid(s) after the Bid /Issue Closing Date. For further details, please see the section entitled “Terms of the Issue” on page 363 of this Prospectus.

The process of Book Building under SEBI Regulations is subject to change from time to time and 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 Process 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, offer size of 3,000 Equity Shares and receipt of five bids from bidders out of which one bidder has bid for 500 shares at Rs. 24 per share while another has bid for 1,500 shares at Rs. 22 per share. A graphical representation of consolidated demand and price would be made available at the bidding centres during the bidding period. The illustrative book given below shows the demand for the shares of the Company at various prices and is collated from bids from various investors.

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

The price discovery is a function of demand at various prices. The highest price at which the issuer is able to issue the desired number of shares is the price at which the book cuts off, i.e., Rs. 22 in the above example. The Issuer, in consultation with the GCBRLMs 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

- Check eligibility for Bidding (please refer to the section entitled “Issue Procedure - Who Can Bid” on page 371 of this Prospectus);
- Ensure that you have an active demat account and the demat account details are correctly mentioned in the Bid cum Application Form or the ASBA Form, as the case may be;;
- Ensure that you have mentioned your PAN in the Bid Cum Application Form or ASBA Form. 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 (see section entitled “Issue Procedure” on page 370 of this Prospectus);
- Ensure that the Bid cum Application Form or ASBA Form is duly completed as per instructions given in the Red Herring Prospectus and in the Bid Cum Application Form or ASBA Form, as the case may be; and
- Bids by QIBs will only have to be submitted to the GCBRLMs and the BRLMs.
- Ensure the correctness of your Demographic Details (as defined in the section titled “Issue Procedure – Bidder’s Depository Account and Bank Details” beginning on page 382), given in the Bid cum Application Form or ASBA Form, with the details recorded with your Depository Participant;
- Bids by ASBA Bidders will only have to be submitted to the SCSBs at the Designated Branches. ASBA Bidders should ensure that their bank accounts have adequate credit balance at the time of submission to the SCSB to ensure that their ASBA Form is not rejected; and
- Bids by QIBs will only have to be submitted to members of the Syndicate.

Withdrawal of the Issue

The Company, in consultation with the GCBRLMs 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 the 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. The Company shall also inform the same to Stock Exchanges on which the Equity Shares are proposed to be listed. Further, in the event of withdrawal of the Issue and subsequently, plans of an IPO by our Company, a draft red herring prospectus will be submitted again for observations of the SEBI.

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

Notwithstanding the foregoing, this Issue is also subject to obtaining the final listing and trading approvals of the Stock Exchanges, which our Company shall apply for after Allotment, and the final RoC approval of the Prospectus after it is filed with the RoC.

In terms of the SEBI Regulations, QIBs bidding in the Net QIB Portion shall not be allowed to withdraw their Bids after the Bid/Issue Closing Date and ASBA Bidders shall not be allowed to revise their Bids.

Bid/ Issue Programme

BID/ISSUE OPENS ON	December 9, 2009*
BID/ISSUE CLOSES ON	December 11, 2009

* The Anchor Investor Bid/Issue opened and closed for subscription on December 8, 2009.

Bids and any revision in Bids shall be accepted **only between 10 a.m. and 5 p.m.** (Indian Standard Time) during the Bidding/ Issue Period as mentioned above at the bidding centres mentioned on the Bid cum Application Form except that on the Bid/Issue Closing Date, Bids and any revision in Bids (excluding the ASBA Bidders) shall be accepted only between 10.00 a.m. and 3.00 p.m. (Indian Standard Time). On the Bid / Issue Closing Date, the Bids (excluding the ASBA Bidders) shall be uploaded until (i) 4.00 p.m. in case of Bids by QIB Bidders and Non-Institutional Bidders where the Bid Amount is in excess of Rs. 100,000 and (ii) until 5.00 p.m. or such extended time as permitted by the NSE and the BSE, in case of Bids by Retail Individual Bidders, where the Bid Amount is up to Rs. 100,000. It is clarified that the Bids not uploaded in the book would be rejected. Bids by the ASBA Bidders shall be uploaded by the SCSB in the electronic system to be provided by the NSE and the BSE.

In case of discrepancy in the data entered in the electronic book vis-à-vis the data contained in the physical Bid form, for a particular Bidder, the details as per the physical form of the Bidder may be taken as the final data for the purpose of allotment. In case of discrepancy in the data entered in the electronic book vis-à-vis the data contained in the physical or electronic Bid cum Application Form, for a particular ASBA Bidder, the Registrar to the Issue shall ask for rectified data from the SCSB.

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 the times mentioned above on the Bid/ Issue Closing Date. All times mentioned in the Prospectus is Indian Standard Time. 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 Business Days, i.e., Monday to Friday (excluding any public holiday).

On the Bid/ Issue Closing Date, extension of time will be granted by the Stock Exchanges only for uploading the Bids received by Retail 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 GCBRLMs and the BRLMs to the Stock Exchange within half an hour of such closure.

The Company, in consultation with the GCBRLMs and the BRLMs, reserves the right to revise the Price Band during the Bidding/ 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 and the Cap Price will be revised accordingly.

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

Underwriting Agreement

After the determination of the Issue Price but prior to filing of the Prospectus with the RoC, the Company will enter into the Underwriting Agreement with the Underwriters for the Equity Shares offered under this Issue. It is proposed that pursuant to the terms of the Underwriting Agreement, the GCBRLMs and the BRLMs shall be responsible for bringing in the amount devolved in the event that their respective Syndicate Members do not fulfill their underwriting obligations. The underwriting shall be to the extent of the Bids uploaded by the Underwriters including through its Syndicate/sub syndicate, subject to Regulation 13 of the SEBI Regulations.

Pursuant to the terms of the Underwriting Agreement, the obligations of the Underwriters are several and are subject to certain conditions specified therein, including that at least 60 per cent of the Issue should have been Allotted to the QIBs.

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

Name and Address of the Underwriter	Indicative Number of Equity Shares to be Underwritten	Amount Underwritten (Rs. in Crores)
ICICI Securities Limited ICICI Centre H.T. Parekh Marg, Churchgate, Mumbai 400 020	2,357,388	115.51
Kotak Mahindra Capital Company Limited 3 rd Floor, Bakhtawar 229, Nariman Point Mumbai 400 021	2,357,388	115.51
IDFC – SSKI Limited 803/4, Tulsiani Chambers 8 th Floor, Nariman Point Mumbai 400 021	2,357,387	115.51
Nomura Financial Advisory and Securities (India) Private Limited Ceejay House, Level 11 Dr. Annie Besant Road, Worli, Mumbai 400 018	2,357,387	115.51
Kotak Securities Limited 1st Floor, Bakhtawar 229, Nariman Points Mumbai 400 021	100	~*
Sharekhan Limited A-206, Phoenix House Second Floor Senapati Bapat Marg, Lower Parel Mumbai 400 013	100	~*
Total	9,429,750	462.06

“~*” Represents amount less than Rs. 50,000

In the opinion of our Board of Directors (based on a certificate given by the Underwriters), the resources of the above mentioned Underwriters are sufficient to enable them to discharge their respective underwriting obligations in full. The above-mentioned Underwriters are registered with SEBI under Section 12(1) of the SEBI Act or registered as brokers with the Stock Exchange(s). The IPO Committee of the Board of Directors, at its meeting held on December 16, 2009, has accepted and entered into the Underwriting Agreement mentioned above on behalf of the Company.

Allocation among Underwriters may not necessarily be in proportion to their underwriting commitments. 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.

CAPITAL STRUCTURE

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

	(Rs. in Crores, except share data)	
	Aggregate nominal value	Aggregate Value at Issue Price
A. Authorised Share Capital⁽¹⁾		
100,000,000 Equity Shares	100.00	
B. Issued, Subscribed and Paid-Up Share Capital before the Issue		
60,420,259 Equity Shares	60.42	
C. Present Issue in terms of this Prospectus		
9,429,750 Equity Shares	9.43*	468.85 [#]
D. Equity Share Capital after the Issue		
69,850,009 Equity Shares	69.85	
E. Security Premium Account		
<i>Before the Issue</i>		147.58
<i>After the Issue</i>		607.00

*16,97,345 Equity Shares have been allocated to Anchor Investors at Rs. 530 per Equity Share

[#] 16,97,345 Equity Shares were issued for cash at a price of Rs. 530 per Equity Share (including a share premium of Rs.520 per Equity Share) and 77,32,405 Equity Shares were issued for cash at a price of Rs. 490 per Equity Share (including a share premium of Rs.480 per Equity Share) collectively aggregating to Rs. 468.85 Crores.

- (1) The Issue has been authorised by the Board of Directors in their meeting held on July 27, 2009 and by the shareholders of our Company at an EGM held on September 30, 2009 under section 81 (1A) of the Companies Act.
- (2) The RBI, by its letters dated January 25, 2008 and March 19, 2008 has clarified that “FIIs may subscribe to the proposed IPO of the company under the portfolio investment scheme (PIS) in terms of Regulation 1(5) of schedule 2 to RBI Notification No. FEMA 20/2000-RB dated May 3, 2000”. However, it is provided that FII investments in any pre-IPO placement would be treated on par with FDI and will have to comply with the guidelines for such FDI in terms of lock-in period and other conditions prescribed vide Press Note 2 (2005 series) issued by Ministry of Commerce and Industry, DIPP and notified by RBI by notification no. 136/2005-RB dated July 19, 2005.

⁽¹⁾ Changes in Authorised Share Capital

- 1) The initial authorised share capital of the Company of Rs. 500,000 divided into 5,000 Equity Shares of Rs. 100 each was split into 50,000 Equity Shares of Rs. 10 each aggregating to Rs. 500,000 pursuant to a resolution of the shareholders at an EGM held on December 2, 1992.
- 2) The authorised share capital of the Company of Rs. 500,000 divided into 50,000 Equity Shares of Rs. 10 was increased to Rs. 25,000,000 divided into 2,500,000 Equity Shares of Rs. 10 each pursuant to a resolution of the shareholders at an EGM held on January 10, 1994.
- 3) The authorised share capital of the Company of Rs. 25,000,000 divided into 2,500,000 Equity Shares of Rs. 10 each was increased to Rs. 100,000,000 divided into 10,000,000 Equity Shares of Rs. 10 each pursuant to a resolution of the shareholders at an EGM held on February 6, 1995.
- 4) The authorised share capital of the Company of Rs. 100,000,000 divided into 10,000,000 Equity

Shares of Rs. 10 each was increased to Rs. 1,000,000,000 divided into 100,000,000 Equity Shares of Rs. 10 each pursuant to a resolution of the shareholders at an EGM held on November 16, 2007.

Notes to the Capital Structure

1. a) Equity Share Capital History of the Company

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

Date of Allotment and when made fully paid up	Number of Equity Shares	Face value (Rs.)	Issue Price (Rs.)	Consideration (cash, consideration other than cash)	Reasons of allotment	Cumulative no. of Equity Shares	Cumulative paid-up Equity Share Capital (Rs.)	Cumulative Securities Premium (Rs.)
March 15, 1985	20	100	100	Cash	First Allotment of shares to Mr. Mohan Khubchand Thakur and Ms. Desiree Mohan Thakur	20	2,000	-
December 2, 1992	200	10	-	Consideration other than cash	Split in face value of the Equity Shares from Rs. 100 to Rs. 10 per share [#]	200	2,000	-
February 17, 1993	125	10	80,000	Cash	Allotment of Equity Shares*	325	3,250	9,998,750
February 19, 1994	999,375	10	N. A.	Consideration other than cash	Bonus Issue (3,075 Equity Shares for every equity share held) (3075:1)	999,700	9,997,000	5,000
March 28, 1994	123,040	10	160	Cash	Rights Issue to Godrej Industries Limited (One equity share for every equity share held) (1:1)	1,122,740	11,227,400	18,461,000
February 18, 1995	1,684,110	10	N. A.	Consideration other than cash	Bonus Issue (Three bonus Equity Shares for every two Equity Shares held) (3:2)	2,806,850	28,068,500	1,619,900

Date of Allotment and when made fully paid up	Number of Equity Shares	Face value (Rs.)	Issue Price (Rs.)	Consideration (cash, consideration other than cash)	Reasons of allotment	Cumulative no. of Equity Shares	Cumulative paid-up Equity Share Capital (Rs.)	Cumulative Securities Premium (Rs.)
February 18, 1995	300,000	10	100	Cash	Conversion of Fully Convertible Bonds into Equity Shares. Allotment made to Godrej Industries Limited	3,106,850	31,068,500	28,619,900
March 29, 1995	1,258,133	10	75	Cash	Rights Issue to Godrej Industries Limited (135 Equity Shares for every 100 shares held) (135:100)	4,364,983	43,649,830	110,398,545
December 4, 1995	2,000,000	10	75	Cash	Rights Issue to Godrej Industries Limited (One equity share for every equity share held) (1:1)	6,364,983	63,649,830	240,398,545
October 28, 1999	79,562	10	70	Cash	Rights Issue to Godrej Industries Limited (One equity share for every 80 Equity Shares held) (1:80)	6,444,545	64,445,450	245,172,265
November 29, 2007	51,556,360	10	N. A.	Consideration other than cash	Bonus Issue (Eight bonus equity share for every equity share held) (8:1)	58,000,905	580,009,050	Nil
December 17, 2007	2,419,354	10	620	Cash	Rights Issue to Godrej Industries Limited (One equity share for every 19.58 Equity Shares held) (0.051:1)	60,420,259	604,202,590	1475,805,940

[#] Allotment of 30 Equity Shares to Puran Plastics & Chemicals Private Limited, 40 Equity Shares to Godrej Soaps Limited (now

Godrej Industries Limited), 40 Equity Shares to Swadeshi Detergents Limited, 20 Equity Shares to Vora Soaps Limited, 40 Equity Shares to Godrej Foods Limited and 30 Equity Shares to Bahar Agrochem & Feeds Private Limited

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

b) Equity Shares allotted for consideration other than cash

Date of Allotment	No. of Equity Shares Issued	Face Value (Rs.)	Issue Price (Rs.)	Nature of Payment of Consideration	Reasons for Allotment	Persons to whom Equity Shares allotted	Benefit to the Company
December 2, 1992	200	10	N.A.	Consideration other than cash	Split in the face value of the Equity Shares from Rs. 100 to Rs. 10	Allotment of 30 Equity Shares to Puran Plastics & Chemicals Private Limited, 40 Equity Shares to Godrej Soaps Limited (now Godrej Industries Limited), 40 Equity Shares to Swadeshi Detergents Limited, 20 Equity Shares to Vora Soaps Limited, 40 Equity Shares to Godrej Foods Limited and 30 Equity Shares to Bahar Agrochem & Feeds Private Limited	Nil
February 19, 1994	999,375	10	N.A.	Consideration other than cash	Bonus Issue	All shareholders of the Company	Nil
February 18, 1995	1,684,110	10	N.A.	Consideration other than cash	Bonus Issue	All shareholders of the Company	Nil
November 29, 2007	51,556,360	10	N.A.	Consideration other than cash	Bonus Issue	All shareholders of the Company	Nil

2. Build up of Promoters shareholding:

Godrej & Boyce Manufacturing Company Limited

Sr. No.	Date of Allotment/ Transfer	Allotment/ transfer	Number of Equity Shares	Cumulative shareholding
1	December 31, 2008	Transferred from Godrej Industries Limited	6,90,000	6,90,000

Godrej Industries Limited

Sr. No.	Date of Allotment/ Transfer	Allotment/ transfer	Number of Equity Shares	Cumulative shareholding
1	July 3, 1989	Transferred from Puran Plastics and Chemicals Private Limited	4 Equity Shares of Rs. 100 each*	4
2	December 2, 1992	Conversion of face value from Rs. 100 to Rs. 10 per Equity Share	40	40
3	February 19, 1994	Allotment	1,23,000	1,23,040
4	March 28, 1994	Allotment	1,23,040	2,46,080
5	February 18, 1995	Transferred from Vora Soaps Limited	6,700	2,52,780

Sr. No.	Date of Allotment/ Transfer	Allotment/ transfer	Number of Equity Shares	Cumulative shareholding
6	February 18, 1995	Allotment	3,79,170	6,31,950
7	February 18, 1995	Allotment	3,00,000	9,31,950
8	March 29, 1995	Allotment	12,58,133	21,90,083
9	December 4, 1995	Allotment	20,00,000	41,90,083
10	March 13, 1996	Transferred from Bahar Agrochem and Feeds Private Limited	92,280	42,82,363
11	March 13, 1996	Transferred from Swadeshi Detergents Limited	83,000	43,65,363
12	March 13, 1996	Transferred from Hybrigene Bio Tech Private Limited	80,000	44,45,363
13	March 13, 1996	Transferred from Puran Plastics and Chemicals Private Limited	30,000	44,75,363
14	July 18, 1996	Transferred from Swadeshi Detergents Limited	2,12,600	46,87,963
15	July 18, 1996	Transferred from Hybrigene Bio Tech Private Limited	30,000	47,17,963
16	July 18, 1996	Transferred from Puran Plastics and Chemicals Private Limited	3,38,250	50,56,213
17	July 18, 1996	Transferred from Vora Soaps Limited	84,820	51,41,033
18	March 25, 1997	Transferred from Puran Plastics and Chemicals Private Limited	19,000	51,60,033
19	April 29, 1997	Transferred from Hybrigene Bio Tech Private Limited	55,800	52,15,833
20	October 28, 1999	Allotment	79,562	52,95,395
21	February 22, 2000	Transferred to Godrej Capital Limited	(2,21,430)	50,73,965
22	August 17, 2005	Transferred from Ensemble Holdings and Finance Limited	1,90,680	52,64,645
23	November 29, 2007	Allotment	4,21,17,160	4,73,81,805
24	December 17, 2007	Allotment	24,19,354	4,98,01,159
25	December 28, 2007	Transferred to GPL ESOP Trust	(4,42,700)	4,93,58,459
26	April 17, 2008	Transferred to the directors and employees of Godrej group	(1,73,250)	4,91,85,209
27	December 31, 2008	Transferred to Godrej & Boyce Manufacturing Company Limited	(6,90,000)	4,84,95,209

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

3. Promoters' Contribution and Lock-in

Pursuant to the SEBI Regulations, an aggregate of 20% of the post-Issue equity share capital of the Company shall be locked in by the Promoter as minimum Promoters' contribution. Such lock-in shall commence from the date of Allotment in the Issue and shall continue for a period of three years from the date of Allotment in the Issue or from the first date of commencement of commercial production, whichever is later. The Equity Shares, which are being locked-in as minimum Promoters' contribution, are eligible for computation of minimum Promoters' contribution in accordance with the provisions of the SEBI Regulations.

- (a) **Details of the Equity Shares forming part of Promoter's contribution, which shall be locked-in for three years, are as follows:**

Godrej Industries Limited

Date of allotment/ acquisition and when made fully paid-up	Nature of allotment	Nature of consideration	No. of Equity Shares locked-in	Face value (Rs.)	Issue/Acquisition Price per Equity Shares (Rs)	Percentage of post-Issue paid-up capital	Lock-in Period
November 29, 2007	Bonus issue	Bonus*	1,39,70,002	10	-	20.00	3 years
Total			1,39,70,002			20.00	

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

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

Equity Shares held by the Promoter and offered as minimum Promoters' contribution are free from pledge.

The Equity Shares being locked-in are not ineligible for computation of promoters' contribution under the SEBI Regulation. In this connection we confirm the following:

- (i) The Equity Shares offered for minimum 20% promoters' contribution are not acquired for consideration of intangible asset or bonus shares out of revaluations reserves or reserves without accrual of cash resource or against shares which are otherwise ineligible for computation of promoters' contribution;
- (ii) The minimum promoters' contribution does not include any Equity Shares acquired during the preceding one year at a price lower than the price at which Equity Shares are being offered;
- (iii) Our Company has not been formed by the conversion of partnership firm into a company;
- (iv) The Equity Shares held by the promoters and offered for minimum 20% promoters' contribution are not subject to pledge;
- (v) The minimum promoters' contribution does not consist of any private placement made by solicitation of subscriptions from unrelated persons either directly or through any intermediary;
- (vi) The minimum promoters' contribution does not consist of Equity Shares for which specific written consent has not been obtained from the respective shareholders for inclusion of their subscription in the minimum promoters' contribution subject to lock-in.

(c) Details of pre-Issue Equity Share capital locked-in for one year:

In addition to the lock-in of 20% of the post-Issue shareholding of the Promoter for three years, as specified above, the balance pre-Issue share capital of the Company (including those held by Promoters) shall be locked-in for a period of one year from the date of Allotment in the Issue.

The locked-in Equity Shares held by the Promoter can be pledged only with banks or financial

institutions as collateral security for any loans granted by such banks or financial institutions, provided that the pledge of shares is one of the conditions under which the loan is sanctioned. Further, Equity Shares locked in as minimum promoters' contribution may be pledged only in respect of a financial facility which has been granted for the purpose of financing one or more of the objects of the Issue and that the pledge of shares is one of the conditions under which the financing facility is sanctioned.

The Equity Shares held by persons other than Promoters prior to the Issue which are locked-in for a period of one year from the date of Allotment in the Issue may be transferred to any other person holding the Equity Shares which are locked-in along with the Equity Shares proposed to be transferred, subject to the continuation of the lock-in in the hands of the transferees for the remaining period and compliance with the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997, as applicable.

Further, the Equity Shares held by the Promoter which are locked-in for a period of three years from the date of Allotment in the Issue as minimum Promoter's contribution may be transferred to and among the Promoter Group or to a new promoter or persons in control of the Company subject to continuation of the lock-in in the hands of the transferees for the remaining period and compliance with the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997, as applicable.

(d) Lock-in of Equity Shares to be issued, if any, to the Anchor Investor

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

4. Shareholding Pattern of the Company

Pre and Post Issue

The table below presents the shareholding pattern of Equity Shares before the proposed Issue and as adjusted for the Issue as per the format prescribed in Clause 35 of the Listing Agreement:

Category code	Category of shareholder	Total shareholding as a % of total no of shares							Post issue	
		No of shareholders	Total number of shares	No of shares held in dematerialized form	As a percentage of (A+B)	As a percentage of (A+B+C)	Number of Equity Shares	Percentage of Equity Share Capital (%)		
(I)	(II)	(III)	(IV)	(V)	(VI)	(VII)	(VIII)	(IX)=(VII I)/(IV)*100		
(A)	PROMOTER AND PROMOTER GROUP									
(1)	Indian									
(a)	Individual /HUF	9	86,51,250	0	14.32	14.32	86,51,250	12.38		
(b)	Central Government/State Government(s)	0	0	0	0.00	0.00	0.00	0.00		
(c)	Bodies Corporate	3	4,98,76,364	17,29,354	82.55	82.55	4,98,76,364	71.40		
(d)	Financial Institutions / Banks	0	0	0	0.00	0.00	0.00	0.00		
(e)	Others	0	0	0	0.00	0.00	0.00	0.00		
	Sub-Total A(1) :	12	5,85,27,614	17,29,354	96.87	96.87	5,85,27,614	83.78		

(2)	FOREIGN							
(a)	Individuals (NRIs/Foreign Individuals)	0	0	0	0.00	0.00	0.00	0.00
(b)	Bodies Corporate	0	0	0	0.00	0.00	0.00	0.00
(c)	Institutions	0	0	0	0.00	0.00	0.00	0.00
(d)	Others	0	0	0	0.00	0.00	0.00	0.00
	Sub-Total A(2) :	0	0	0	0.00	0.00	0.00	0.00
	Total A=A(1)+A(2)	12	5,85,27,614	17,29,354	96.87	96.87	5,85,27,614	83.78
(B)	Public Shareholding							
(1)	INSTITUTIONS							
(a)	Mutual Funds /UTI	0	0	0	0.00	0.00	0.00	0.00
(b)	Financial Institutions /Banks	0	0	0	0.00	0.00	0.00	0.00
(c)	Central Government / State Government(s)	0	0	0	0.00	0.00	0.00	0.00
(d)	Venture Capital Funds	0	0	0	0.00	0.00	0.00	0.00
(e)	Insurance Companies	0	0	0	0.00	0.00	0.00	0.00
(f)	Foreign Institutional Investors	0	0	0	0.00	0.00	0.00	0.00
(g)	Foreign Venture Capital Investors	0	0	0	0.00	0.00	0.00	0.00
(h)	Others	0	0	0	0.00	0.00	0.00	0.00
	Sub-Total B(1) :	0	0	0	0.00	0.00	0.00	0.00
(2)	NON-INSTITUTIONS							
(a)	Bodies Corporate	2	12,76,695	0	2.11	2.11	12,76,695	1.83
(b)	Individuals							
	(i) Individuals holding nominal share capital upto Rs.1 lakh	214	1,57,250	66,950	0.26	0.26	1,57,250	0.23
	(ii) Individuals holding nominal share capital in excess of Rs.1 lakh	1	12,000	0	0.02	0.02	12,000	0.017
(c)	Others							
	TRUSTS	1	4,42,700	0	0.73	0.73	4,42,700	0.63
	H U F	1	4,000	4,000	0.01	0.01	4,000	0.005
	Sub-Total B(2) :	219	18,92,645	70,950	3.13	3.13	18,92,645	2.712
	Total B=B(1)+B(2) :	219	18,92,645	70,950	3.13	3.13	18,92,645	2.712
	Total (A+B) :	231	6,04,20,259	18,00,304	100.00	100.00	6,04,20,259	86.50
(C)	Shares held by custodians, against which							
	Depository Receipts have been issued	0	0	0	0.00	0.00	0.00	0.00
	Total Pre-Issue Capital (A+B+C)	231	6,04,20,259	18,00,304	100.00	100.00	6,04,20,259	86.5

	Public (Pursuant to the Issue) (D)		-	-	-	-	9,429,750	13.5
	Total Post-Issue Share Capital (A+B+C+D)		-	-	-	-	69,850,009	100.00

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

S. No.	Name of Shareholders	Number of Equity Shares	Percentage Shareholding (%)
1.	Godrej Industries Limited	4,84,95,209	80.26
2.	Mr. Nadir B. Godrej	17,30,250	2.86
3.	Mr. Rishad K. Naoroji	17,30,250	2.86
4.	Bahar Agrochem and Feeds Private Limited	12,45,780	2.06
5.	Mr. Navroze J. Godrej	8,99,730	1.49
6.	Ms. Freyan V. Crishna	8,99,730	1.49
7.	Ms. Raika J. Godrej	8,30,520	1.37
8.	Ms. Nyrika V. Crishna	8,30,520	1.37
9.	Ensemble Holdings and Finance Limited	6,91,155	1.14
10.	Godrej & Boyce Manufacturing Company Limited	6,90,000	1.14

- (b) The top ten shareholders of the Company as on December 6, 2009 (i.e. 10 days prior to filing this Prospectus) are as follows:

S. No.	Name of Shareholders	Number of Equity Shares	Percentage Shareholding (%)
1.	Godrej Industries Limited	4,84,95,209	80.26
2.	Mr. Nadir B. Godrej	17,30,250	2.86
3.	Mr. Rishad K. Naoroji	17,30,250	2.86
4.	Bahar Agrochem and Feeds Private Limited	12,45,780	2.06
5.	Mr. Navroze J. Godrej	8,99,730	1.49
6.	Ms. Freyan V. Crishna	8,99,730	1.49
7.	Ms. Raika J. Godrej	8,30,520	1.37
8.	Ms. Nyrika V. Crishna	8,30,520	1.37
9.	Ensemble Holdings and Finance Limited	6,91,155	1.14
10.	Godrej & Boyce Manufacturing Company	6,90,000	1.14

S. No.	Name of Shareholders	Number of Equity Shares	Percentage Shareholding (%)
	Limited		

- (c) The top ten shareholders of the Company as on December 16, 2007 (i.e., two years prior to filing this Prospectus) were as follows:

S. No.	Name of Shareholders	Number of Equity Shares	Percentage Shareholding (%)
1.	Godrej Industries Limited	4,73,81,805	81.69
2.	Mr. Nadir B. Godrej	17,30,250	2.98
3.	Mr. Rishad K. Naoroji	17,30,250	2.98
4.	Bahar Agrochem & Feeds Private Limited	12,45,780	2.15
5.	Mr. Navroze J. Godrej	8,99,730	1.55
6.	Ms. Freyan V. Crishna	8,99,730	1.55
7.	Ms. Raika J. Godrej	8,30,520	1.43
8.	Ms. Nyrika V. Crishna	8,30,520	1.43
9.	Ensemble Holdings and Finance Limited	6,91,155	1.19
10.	Ms. Tanya A. Dubash	5,76,756	0.99

7. None of our Directors or Key Management Personnel hold Equity Shares in the Company, except as stated in the section titled “Our Management” beginning on page 136 of this Prospectus.
8. Shareholding of the Promoter Group in the Company:

The shareholding of the Promoter Group and directors of the Promoters in the Company as on the date of Prospectus is as provided below:

Name of Promoter Group /directors of the Promoters	Number of Equity Shares	% of pre Issue share capital
Mr. Nadir B. Godrej	1,730,250	2.86
Mr. Rishad K. Naoroji	1,730,250	2.86
Mr. Navroze J. Godrej	899,730	1.49
Ms. Freyan V. Crishna	899,730	1.49
Ms. Raika J. Godrej	830,520	1.37
Ms. Nyrika V. Crishna	830,520	1.37
Ensemble Holdings and Finance Limited	691,155	1.14
Ms. Tanya A. Dubash	576,756	0.95
Ms. Nisaba A. Godrej	576,747	0.95
Mr. Pirojsha A. Godrej	576,747	0.95
Mr. V. N. Gogte	500	0.00
Mr. F. P. Sarkari	10,000	0.02
Mr. Amit B. Choudhary	1,500	0.00
Mr. V. N. Banaji	3,000	0.00
Mr. M. Eipe	3,000	0.00
Mr. M. P. Pusalkar	1,600	0.00
Mr. Phiroze D. Lam	5000	0.01
Mr. Kyamas A. Palia	3,000	0.00

Name of Promoter Group /directors of the Promoters	Number of Equity Shares	% of pre Issue share capital
Mr. Anil G. Verma	500	0.00
Total	9,370,505	15.46

9. Details of the effective price of the total holdings of the following shareholders as on the date of this Prospectus are as follows:

Sr. No.	Name of the shareholder	Effective Price (Cost per share)
1.	Godrej Industries Limited	Rs. 38.21
2.	Godrej & Boyce Manufacturing Company Limited	Rs. 622
3.	Ensemble Holdings and Finance Limited	Rs. 7.94
4.	Bahar Agrochem and Feeds Private Limited	Rs. 1.15
5.	Vora Soaps Limited	Rs. 1.50
6.	Ms. Tanya A. Dubash	Rs. 3.01
7.	Ms. Nisaba A. Godrej	Rs. 1.42
8.	Mr. Nadir B. Godrej	Rs. 1.16
9.	Mr. Rishad K. Naoraji	Rs. 1.16
10.	Mr. Navroze J. Godrej	Rs. 1.16
11.	Ms. Freyan V. Crishna	Rs. 1.16
12.	Ms. Raika J. Godrej	Rs. 1.16
13.	Ms. Nyrika V. Crishna	Rs. 1.16
14.	Mr. Pirojsha A. Godrej	Rs. 1.16

10. Employee Stock Option Plan (“GPL ESOP”)

We have instituted an employee stock option plan for the employees of the Company to provide an incentive to attract, retain and reward employees to motivate them and create an ownership attitude amongst them thus contributing to the growth and profitability.

The Company has entered into a trust deed dated December 24, 2007 with IL&FS Trust Company Limited for the purpose of administering the GPL ESOP. The object or purpose of trust is as follows:

- To promote welfare of the employees of the Company;
- To administer Company’s Employee Stock Option Plan;
- To administer one or more of the Company’s Employees Stock Option Plan for the benefit of employees of the Company;
- To subscribe for or to purchase or to otherwise acquire and hold shares of the Company for disposition for the benefit of the employees in pursuance of the Company’s Employees Stock Option Plan;
- To invest any surplus funds of the trust in accordance with law for discharging any loans taken in accordance with the law; and
- To utilise the dividend and/or sale proceeds of the shares and/or any other funds resulting from investments made by the trust to repay the loan from the Company

The Company is a settlor, IL&FS Trust Company Limited is the trustee under the said deed and the beneficiaries under the trust deed are the employees (as defined under the trust deed) except (i) an employee who is a promoter or belongs to the promoter group and (ii) a director who either by himself

or through his relatives or through any body corporate, directly or indirectly holds more than 10% of the outstanding shares of the Company.

Pursuant to the resolution of our shareholders and the Remuneration Committee dated December 24, 2007, our Remuneration Committee has granted 442,700 options convertible into 442,700 Equity Shares of face value Rs. 10 each with effect from December 28, 2007, which represent 0.73% of the pre-Issue paid up equity capital of the Company and 0.63% of the fully diluted post-Issue paid up capital of the Company. The following table sets forth the particulars of options granted under the GPL ESOP as of the date of filing the Red Herring Prospectus.

Particulars		Details
Options granted		442,700
Exercise price of options		Rs. 620 per share plus interest at a compounding rate of 10 % per annum. or at such other rate as may be defined by the Remuneration Committee and intimated to the option grantees. In addition to it, such other amount as intimated by the Remuneration Committee from time to time viz amount of stamp duty and trusteeship fees will be recoverable from the employees
Total options vested		Nil
Options exercised		Nil
Total number of Equity Shares that would arise as a result of full exercise of options already granted		442,700
Options forfeited/ lapsed/ cancelled		31,000
Variations in terms of options		Nil
Money realised by exercise of options		Nil
Options outstanding (in force)		411,700
Vesting schedule		Options shall vest in the eligible employees under the ESOP within such period as may be prescribed by the Remuneration Committee, which period shall not be less than one year and may extend upto three years from the date of grant of options. The Remuneration Committee of the Company at its meeting held on December 24, 2007 has decided that the options would be vested in the employees on December 27, 2010.
Person wise details of options granted to		
i)	Directors and key management employees	Please see Note 1 below
ii)	Any other employee who received a grant in any one year of options amounting to 5% or more of the options granted during the year	Nil
iii)	Identified employees who are granted options, during any one year equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant	Nil
Fully diluted EPS on a pre-Issue basis		Restated standalone EPS – Basic/Diluted – March 2009 – Rs. 12.36

Particulars	Details
	Restated consolidated EPS – Basic/Diluted – March 2009 – Rs. 12.52
Difference between employee compensation cost using the intrinsic value method and the employee compensation cost that shall have been recognised if the Company has used fair value of options and impact of this difference on profits and EPS of the Company	Nil
Weighted average exercise prices and weighted average fair values of options whose exercise price either equals or exceeds or is less than the market price of the stock	Weighted average exercise price is Rs. 620 per share plus interest
Description of the method and significant assumptions used during the year to estimate the fair values of options, including weighted-average information, namely, risk-free interest rate, expected life, expected volatility, expected dividends and the price of the underlying share in market at the time of grant of the option	N.A.
Lock-in	Three years from the date of grant i.e., December 28, 2007
Impact on profits of the last three years and on the EPS of the last three years if the issuer had followed the accounting policies specified in clause 13 of the SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 in respect of options granted in the last three years	Nil
Intention of the holders of Equity Shares allotted on exercise of options to sell their shares within three months after the listing of Equity Shares pursuant to the Issue	The options granted under GPL ESOP have not vested as on the date of filing of the Red Herring Prospectus. The Company is currently not aware of any intention of the holders of such options to sell Equity Shares on conversion of such options within three months after the listing of Equity Shares pursuant to the Issue
Intention to sell Equity Shares arising out of the GPL ESOP within three months after the listing of Equity Shares by directors, senior management personnel and employees having GPL ESOP Equity Shares amounting to more than 1% of the issued capital (excluding outstanding warrants and conversions)	N.A.

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

Name	Position	Number of options granted under ESOP
Mr. Milind S. Korde	Managing Director	60,000
Mr. K. T. Jithendran	Chief Operating Officer	30,000
Mr. Nishikant Shimpi	Executive Vice President (Bangalore region)	20,000

Name	Position	Number of options granted under ESOP
Mr. K. P. Sudheer	Vice President (Mumbai region)	20,000
Mr. Nitin Wagle	Vice President (Operations)	10,000
Mr. Shodhan A. Kembhavi	Vice President (Legal) and Company Secretary	10,000
Mr. Rajendra Khetawat	Vice President (Finance and Accounts)	10,000
Mr. Santosh Tamhane	Vice President (Projects)	10,000
Ms. Krishnakoli S. Kumar	Vice President (Marketing and Sales)	10,000
Ms. Aylona D'Souza	Associate Vice President (Human Resources and Administration)	7,000

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

11. The Company, the Directors, the GCBRLMs and the BRLMs have not entered into any buy-back and/or standby arrangements for purchase of Equity Shares from any person.
12. The Promoter Group and/or by the directors of the Company which is a Promoter of the Issuer and/or by the directors of the Issuer and their immediate relatives have not purchased or sold any Equity Shares during a period of six months preceding the date on which this Prospectus is filed with SEBI.
13. None of the Directors or key management personnel holds Equity Shares in the Company except as stated in the section titled "Our Management" on page 136 of this Prospectus.
14. A Bidder cannot make a Bid for more than the number of Equity Shares offered through the Issue, subject to the maximum limit of investment prescribed under relevant laws applicable to each category of investor.
15. Except for outstanding ESOPs, there are no outstanding warrants, options or rights to convert debentures, loans or other instruments into the Equity Shares.
16. There will be no further issue of Equity Shares, whether by way of issue of bonus shares, preferential allotment, and rights issue or in any other manner during the period commencing from submission of the Draft Red Herring Prospectus with SEBI until the Equity Shares have been listed.
17. The Company presently does not intend or propose to alter the capital structure for a period of six months from the Bid/Issue Opening Date, by way of split or consolidation of the denomination of Equity Shares or further issue of Equity Shares (including issue of securities convertible into or exchangeable, directly or indirectly for Equity Shares) whether preferential or otherwise. However, during such period or at a later date, we may issue Equity Shares or securities linked to Equity Shares to finance an acquisition, merger or joint venture by us or as consideration for such acquisition, merger or joint venture, or for regulatory compliance or such other scheme of arrangement if an opportunity of such nature is determined by our Board to be in our interest.
18. There shall be only one denomination of the Equity Shares, unless otherwise permitted by law. We shall comply with such disclosure and accounting norms as may be specified by SEBI from time to time.
19. As on December 11, 2009 the total number of holders of the Equity Shares was 231.
20. The Company has not raised any bridge loans against the proceeds of the Issue. For details on use of

proceeds, see the section titled “Objects of the Issue” on page 43 of this Prospectus.

21. An oversubscription to the extent of 10% of the Issue can be retained for the purpose of finalising the Basis of Allotment.
22. We have not issued any Equity Shares out of revaluation reserves. Except as disclosed in the sections titled “Capital Structure – Notes to the Capital Structure” beginning on page 29 of this Prospectus, the Company has not issued any Equity Shares for consideration other than cash.
23. Except as stated above, our Company has not made any bonus issue of Equity Shares.
24. The Equity Shares being offered in this Issue will be fully paid up at the time of Allotment.
25. As per the RBI regulations, OCBs are not allowed to participate in the Issue.
26. The Equity Shares held by the Promoters are not subject to any pledge.
27. As of the date of this Prospectus, none of the GCBRLMs, the BRLMs and their associates held any Equity Shares in the Company.
28. The Company, Directors, Promoters or Promoter Group shall not make any payments, direct or indirect, discounts, commissions, allowances or otherwise under this Issue, except as disclosed in this Prospectus.
29. At least 60% of the Issue shall be allotted on a proportionate basis to QIBs. 5% of the QIB Portion (excluding Anchor Investor Portion) shall be available for allocation to Mutual Funds only and the remaining QIB Portion shall be available for allocation to the QIB Bidders including Mutual Funds, subject to valid Bids being received at or above the Issue Price. If at least 60% of the Issue cannot be allocated to QIBs, then the entire application money will be refunded forthwith. Further, not less than 10% of the Issue shall be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 30% of the Issue shall be available for allocation on a proportionate basis to Retail Individual Bidders, subject to valid Bids being received at or above the Issue Price. In case of under-subscription in the net offer to the public portion, spill over to the extent of under subscription shall be permitted from the reserved category of the net offer to public portion.
30. The RBI by its letters dated January 25, 2008 and March 19, 2008 has clarified that ‘FIIs may subscribe to the proposed IPO of your company under the portfolio investment scheme (PIS) in terms of Regulation 1(5) of schedule 2 to RBI Notification No. FEMA 20/2000-RB dated May 3, 2000’. However, it is provided that FII investments in any pre-IPO placement would be treated on par with FDI and will have to comply with the guidelines for such FDI in terms of lock-in period and other conditions prescribed vide Press Note 2 (2005 series) issued by Ministry of Commerce and Industry, DIPP and notified by RBI by notification no. 136/2005-RB dated July 19, 2005.

OBJECTS OF THE ISSUE

The objects of the Issue are:

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

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

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

Particulars	Rs. in Crores
Gross proceeds of the Issue	468.85
Issue related expenses	40.68
Net Proceeds	428.17

Use of Net Proceeds

The following table summarises the intended use of Net Proceeds:

(Rs. in Crores)									
S. No.	Expenditure Items	Total Estimated Cost	Amount deployed till November 15, 2009*	Balance Payable as on November 15, 2009	Proposed to be funded by internal accruals [#]	Amount upto which will be financed from Net Proceeds	Estimated schedule of deployment of Net Proceeds for		
							FY 2010	FY 2011	FY 2012
1.	Acquisition of land development rights for our Forthcoming Projects	444.82	152.50	292.32	Nil	203.00	203.00	-	-
2.	Construction of our Forthcoming Project	100.84	22.82	78.02	Nil	75.00	20.00	40.00	15.00
3.	Repayment of loans	172.00	Nil	172.00	Nil	150.17	150.17	-	-
Total		717.66	175.32	542.34	Nil	428.17	373.17	40.00	15.00

* The amount has been funded by the Company out of its internal accruals and facilities provided by different banks/financial institutions as per certificate from M/s Kalyaniwalla & Mistry, Chartered Accountants dated November 16, 2009.

[#] As per certificate from M/s Kalyaniwalla & Mistry, Chartered Accountant dated November 16, 2009 certifying availability of adequate resources to finance the balance funding required.

The schedule of implementation of the Net Proceeds of the Issue is set forth below:

(Rs. in Crores)				
Sr. No.	Objects	FY 2010	FY 2011	FY 2012
1.	Acquisition of land development rights for our Forthcoming Projects	203.00	-	-
2.	Construction of our Forthcoming Project	20.00	40.00	15.00
3.	Repayment of loans	150.17	-	-
Total		373.17	40.00	15.00

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

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

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

Details of the Objects

1. Acquisition of land development rights for our Forthcoming projects

We are in the business of real estate development including residential, commercial and township development and we intend to acquire further land development rights in order to facilitate our expansion and diversification. For details of our business, see the section titled “Our Business” on page 77 of this Prospectus.

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

Estimated acquisition cost of land development rights

We have entered into an agreement for grant of development rights, an agreement for services and a memorandum of understanding (“MoU”), as given below, for grant of development rights in cities such as Ahmedabad, Kalyan (Mumbai) and Pune respectively:

(Rs. in Crores)									
S. No.	Project Name	Plot Area (acres)	Total cost of Land development rights (Rs. Cr.)	Amount Paid till November 15, 2009* (Rs. Cr.)	Amount Paid as percentage of Total Cost of Land Development Rights (%)	Balance payable after November 15, 2009	Amount proposed to be utilised from the Net Proceeds	Nature of Contract/ Documentation **	Status of property
1	Godrej Garden City, Ahmedabad	330.00	325.00	143.00	44.00	182.00	132.00	Agreement for grant of development rights dated April 15, 2008	Ongoing project
2.	Kalyan Township	160.00	65.82	6.50	9.87	59.32	20.00	Agreement for services dated November 20, 2008	Forthcoming project
3.	Pune	225.00	54.00	3.00	5.55	51.00	51.00	MoU dated	Forthcoming

S. No.	Project Name	Plot Area (acres)	Total cost of Land development rights (Rs. Cr.)	Amount Paid till November 15, 2009* (Rs. Cr.)	Amount Paid as percentage of Total Cost of Land Development Rights (%)	Balance payable after November 15, 2009	Amount proposed to be utilised from the Net Proceeds	Nature of Contract/ Documentation **	Status of property
	Township							September 25, 2009	project
Total		715.00	444.82	152.50	34.28	292.32	203.00		

* As per certificate from Kalyaniwalla & Mistry, Chartered Accountants dated November 16, 2009.

**For a description of the nature of each of the documents, please refer to the section titled "Our Business" on page 77 of this Prospectus.

In relation to the Godrej Garden City, Ahmedabad we have made a payment of Rs. 143.00 Crores till November 15, 2009 and a balance of Rs. 182.00 Crores is required to be paid after November 15, 2009. Further, in relation to the Kalyan township we have made a payment of Rs. 6.50 Crores till November 15, 2009 and a balance of Rs. 59.32 Crores is required to be paid after November 15, 2009.

We may be required to make certain payments in relation to these projects shortly. For such purpose we propose to utilise our existing financing facilities with various banks and institutions details of which are mentioned in the section titled "Financial Indebtedness" on page 308 of this Prospectus. To the extent of utilisation of the above facilities we would utilise our Issue Proceeds to repay such amounts.

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

We may consider from time to time assigning our rights in these projects to a subsidiary. Consequently, the land acquisitions referred to above shall be through our subsidiaries. We may either capitalize our subsidiaries from the Net Proceeds of the Issue or provide them with loans on an arm's length basis at the appropriate stage.

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

2. Construction of our Forthcoming project

We are constructing and developing a commercial project in Chandigarh and intend to additionally deploy Rs. 78.02 Crores for the construction of this Forthcoming Project.

Details of the project

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

(Rs. in Crores)										
Sr. No.	Name of the Project	Saleable Area (in Sq ft)	Start Year/ Estimated Start Year	Estimated Completion Year	Total Construction Cost	Amount deployed as of November 15, 2009*	Balance Payable after November 15, 2009	Break-up of the Funding of the Total Cost of the Project		Nature of Contract/ Documentation**
								Internal Accruals	Net Proceeds	
1.	Godrej Eternia Chandigarh	310,940	2008	2012	100.84	22.82	78.02	Nil	75.00	Joint development agreement
	Total	310,940			100.84	22.82	78.02	Nil	75.00	

* As per certificate from Kalyaniwalla & Mistry, Chartered Accountants dated November 16, 2009.

** For a brief description of the nature of the contract please refer to the 'Our Business' section on page 77 of this Prospectus.

Note: For the purpose of the above computation, in cases where projects comprise of multiple phases, we have considered only those phases which we expect to be completed by 2012.

Means of Finance

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

	Amounts (Rs. in Crores)
Total Cost	545.66
Amounts paid as on November 15, 2009*	175.32
Amounts payable as on November 15, 2009	370.34
Proposed to be funded through Net Proceeds	278.00
Financing from Debt Facilities [#]	92.34**

* As per certificate from M/s. Kalyaniwalla & Mistry, Chartered Accountants dated November 16, 2009.

[#] For details of the financing arrangement please refer to the section titled "Financial Indebtedness" on page 308 of this Prospectus.

** Includes an amount of Rs. 50.00 Crores payable in relation to the agreement for grant of development rights dated April 15, 2008 entered into by the Company for the Godrej Ahmedabad Township, an amount of Rs. 39.32 Crores payable in relation to the agreement for services dated November 20, 2008 entered into by the Company for acquisition of land development rights of the property situated at Kalyan and an amount of Rs. 9.55 Crores payable by the Company towards construction cost of the project Godrej Eternia Chandigarh.

In relation to the firm arrangements through verifiable means to be made by the Company towards 75% of the stated means of finance, excluding Net Proceeds of the Issue, the Company has received a sanction letter dated April 24, 2009 reference no. CAG/AMT-2/09-10/16 from State Bank of India sanctioning an amount of Rs. 400.00 Crores. The validity of the sanction letter is for a period of 12 months from the date of sanction. The Company has thereafter entered into a loan agreement dated May 13, 2009 with State Bank of India for a cash credit facility of Rs. 400.00 Crores. However, the above said limit has been reduced to Rs. 325.00 Crores vide letter dated October 23, 2009 reference no. CAG/AMT-2/09-10/194

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

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

3. Repayment of loans taken from various lenders

Our Company has entered into various financing arrangements with a number of banks/financial institutions. These arrangements include secured and unsecured loans from banks/financial institutions. For details of the financing arrangements, see the section titled "Financial Indebtedness" on page 308 of this Prospectus.

The Company intends to utilize the Net Proceeds towards repayment of a sum of up to Rs. 150.17 Crores out of the amount outstanding under the financing arrangements. Additionally, the Company may continue to utilize its existing financing facilities with various banks and institutions to make certain payments in relation to Godrej Garden City, Ahmedabad and the Kalyan township. To the extent of such utilisation we would increase the Net Proceeds of the Issue towards repayment of such additional loans. The details of the loans proposed to be repaid/ prepaid out of Net Proceeds are provided in the table below:

(Rs. in Crores unless otherwise mentioned)

Sr. No.	Name of the lender	Date of the loan facility agreement	Total Amount Sanctioned	Purpose of loan	Utilization of the Loans	Principal amount outstanding as on November 15, 2009*	Repayment Date/ schedule	Interest (%)	Amount proposed to be repaid out of the Issue proceeds
1.	State Bank of India (working capital)	May 13, 2009	325 (Including interchangeable non fund based facility of Rs. 50.00 Crores)	Working capital purpose - To meet working	Loans were Utilized for the purpose for which it was raised –	Cash Credit Component Rs. 248.50 Crores. (Including	No fixed repayment date as this is a cash credit	SBAR i.e. 11.75% as on November 15, 2009	112.00 Cash Credit Component

Sr. No.	Name of the lender	Date of the loan facility agreement	Total Amount Sanctioned	Purpose of loan	Utilization of the Loans	Principal amount outstanding as on November 15, 2009*	Repayment Date/ schedule	Interest (%)	Amount proposed to be repaid out of the Issue proceeds
	loan)			capital requirements	To meet working capital requirement.	the utilization of non fund based limit of Rs. 0.72 Crores.) Working Capital Demand Loan – 50.00	facility	For WCDL Rate of Interest is 8.50% per annum. As on November 15, 2009	
2.	Central Bank of India	March 19, 2009	200.00	Working capital purpose - To meet working capital requirements	Loans were Utilized for the purpose for which it was raised – To meet working capital requirement	200.00	March 19, 2010 – Rs. 50.00 Crores March 31, 2010 – Rs. 10.00 Crores April 8, 2010 – Rs. 40.00 Crores June 10, 2010 – Rs. 50.00 Crores June 16, 2010 – Rs. 50.00 Crores	BPLR - 1.00% i.e. 11.00% as on November 15, 2009.	38.17
Total			525.00						150.17

* As per certificate from M/s. Kalyaniwalla & Mistry, Chartered Accountants dated November 16, 2009.

The Company will give preference to repaying high costs debts in order to reduce the interest burden. There are no prepayment penalties under the above loan agreements. In view of the requirements of our business and the dynamic nature of our industry, the Company may have to revise its business plan from time to time and consequently our fund requirement may also change. Thus, the Company may reduce or increase the amount of repayments of loan.

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

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 also explore a range of options including utilizing our internal accruals or seeking debt from future lenders. Our management expects that such alternate arrangements would be available to fund any such shortfall. Our management, in accordance with the policies of our Board, will have flexibility in utilizing the proceeds for the purposes mentioned above.

Bridge Financing Facilities

The Company has not raised any bridge loans from any bank or financial institution as on the date of this Prospectus, which are proposed to be repaid from the proceeds of this Issue.

Interim use of Net Proceeds

Our management, in accordance with the policies established by our Board from time to time, will have flexibility in deploying the Net Proceeds. Pending utilization for the purposes described in the above paragraphs, we intend to temporarily invest the funds from the Issue in interest bearing liquid instruments including deposits with banks and investments in mutual funds and other financial products, such as principal protected funds, derivative linked debt instruments, other fixed and variable return instruments, listed debt instruments and rated debentures.

Issue Expenses

The Issue related expenses consist of underwriting fees, selling commission, fees payable to GCBRLMs and the BRLMs to the Issue, legal counsels, Bankers to the Issue, Escrow Bankers and Registrars to the Issue, printing and stationery expenses, advertising and marketing expenses and all other incidental and miscellaneous expenses for listing the Equity Shares on the Stock Exchanges. The issue related expenses are Rs. 40.68 Crores. All expenses with respect to the Issue will be borne out of Issue proceeds. The break-up for the Issue expenses is as follows:

Activity	Expenses* (Rs. in Crores)	Percentage of the Issue Expenses	Percentage of the Issue size
Lead Management, Underwriting and Selling Commission	16.62	40.86	3.54
SCSB Commission	0.00	0.00	0.00
Advertising and marketing expenses	15.60	38.34	3.33
Printing and stationery (including courier, transportation charges)	0.74	1.82	0.16
Others (Registrar fees, legal fees, listing costs etc)	7.63	18.76	1.63
Fees paid to rating agency	0.09	0.22	0.02
Total	40.68	100.00	8.68

Monitoring Utilization of Funds

We have appointed SICOM Limited as the monitoring agency in relation to the Issue. The Board and SICOM Limited will monitor the utilization of the proceeds of the Issue. We 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. We 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, we will on a quarterly basis disclose to the Audit Committee the uses and applications of the proceeds of the Issue. On an annual basis, we will prepare a statement of funds utilised for purposes other than those stated in this 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.

We will provide information of material deviations in the utilisation of Issue proceeds to the stock exchanges and will also 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 us as consideration to the Promoter, Directors, Group Companies or key management employees, except in the normal course of its business.

BASIS FOR ISSUE PRICE

The Issue Price of Rs. 490 has been determined by the Company in consultation with the GCBRLMs and the BRLMs, on the basis of assessment of market demand from the investors for the offered Equity Shares by way of Book Building process. The face value of the Equity Shares is Rs. 10 and the Issue price is 49 times the face value. Investors should also refer to the sections titled “Risk Factors” and “Financial Information” on page xv and 196 of this Prospectus.

QUALITATIVE FACTORS

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

For more details on qualitative factors, refer to section titled “Our Business” beginning on page 77 of this Prospectus.

QUANTITATIVE FACTORS

Information presented in this section is derived from our standalone and consolidated restated 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:

1. EARNING PER SHARE (EPS)⁽¹⁾⁽²⁾:

As per our restated Unconsolidated Summary Statements:

Year ended	Basic and Diluted EPS (in Rs.)	Weight
March 31, 2009	12.36	3
March 31, 2008	12.76	2
March 31, 2007	5.04	1
Weighted Average	11.28	

As per our restated Consolidated Summary Statements:

Year ended	Basic and Diluted EPS (in Rs.)	Weight
March 31, 2009	12.52	3
March 31, 2008	12.78	2
March 31, 2007	4.97	1
Weighted Average	11.35	

⁽¹⁾ Earnings per share represents basic earnings per share calculated as net profit attributable to equity shareholders as restated divided by a weighted average number of shares outstanding during the year.

⁽²⁾ Face value per share is Rs.10.

Note:

- a) The Earning per Share has been computed on the basis of the restated profits and losses of the respective years.
- b) The denominator considered for the purpose of calculating Earnings per Share is the weighted average number of Equity Shares outstanding during the year.

- c) EPS calculations have been done in accordance with Accounting Standard 20-“Earning per share” issued by the Institute of Chartered Accountants of India.

2. PRICE EARNING RATIO (P/E RATIO)

Price/Earning (P/E) ratio in relation to Issue Price of Rs. 490 per share of face value of Rs. 10 each:

- a) As per our Restated Unconsolidated Summary Statements for year ended March 31, 2009: 39.64
- b) As per our Restated Consolidated Summary Statements for year ended March 31, 2009: 39.14
- c) Industry P/E* –
 - a. Highest: 389.2
 - b. Lowest: Nil
 - c. Industry Composite: 33.2

** Source: Capital Markets Vol. XXIV/18 dated November 02 - 15, 2009 (Industry –Construction)*

3. RETURN ON NET WORTH:

Return on Net Worth as Per Restated Unconsolidated Financial Statements

Year Ended	RONW (%)	Weight
March 31, 2009	25.06%	3
March 31, 2008	31.07%	2
March 31, 2007	64.89%	1
Weighted Average	33.70%	

Return on Net Worth as Per Restated Consolidated Financial Statements

Year Ended	RONW (%)	Weight
March 31, 2009	25.33%	3
March 31, 2008	31.15%	2
March 31, 2007	64.58%	1
Weighted Average	33.81%	

4. Minimum Return on Increased Net Worth required to maintain pre-issue EPS for the year ended March 31, 2009:

Based on standalone restated summary statements: 11.36 %

Based on Consolidated restated summary statements: 11.47 %

5. NET ASSET VALUE PER EQUITY SHARE:

- a. As of March 31, 2009 (Consolidated) : Rs. 49.47
- b. As of March 31, 2009 (Standalone) : Rs. 49.36
- c. Issue Price: Rs. 490; and
- d. As of March 31, 2009 (Consolidated) after the Issue: Rs. 109.17
- e. As of March 31, 2009 (Standalone) after the Issue : Rs. 108.83

Net Asset Value per Equity Share represents Net Worth, as restated, divided by the number of Equity Shares outstanding at the end of the period.

6. COMPARISON WITH INDUSTRY PEERS:

Name of the Company	Face Value per share(Rs.)	Trailing Twelve Months*		Last reported Financial Year (#)		
		EPS (Rs.)	P/E as on Oct 25, 2009	RoNW (%)	NAV per share	Sales (Rs. Cr)
Godrej Properties Limited	10	12.5	39.2	25.3%	49.47	185
Mahindra Lifespace Developers Limited	10	11.5	30.9	5.2%	217.3	165
Puravankara Projects Limited	5	4.0	27.0	30.6%	61.4	445
Parsvnath Developers Limited [#]	10	4.5	27.3	6.1%	103.9	734
Peninsula Land Limited [#]	2	6.9	12.4	15%	37.9	542
Sobha Developers Limited	10	7.3	32.9	10.3%	169.7	975
Omaxe Limited	10	2.3	50.5	6.3%	74.7	700
HDIL	10	17.9	20.8	20.5%	178.0	1,719

Source: Capital Markets Vol. XXIV/18 dated November 2 - 15, 2009 (Industry –Construction). Data based on full year results as reported in the edition. Select companies that represent real estate developer from the construction companies group have been identified as peer group.

*Trailing Twelve Months ended June 30, 2009,

[#] Trailing Twelve Months ended September 30, 2009,

[#]Last Reported Fiscal Year ended March 31, 2009

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 49 times of the face value of our Equity Shares.

The Issue Price of Rs. 490 has been determined by us, in consultation with the GCBRLMs 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 section titled “Risk Factors” beginning on page xv of this Prospectus and the financials of the Company including important profitability and return ratios, as set out in the “Financial Information” stated on page 196 of this Prospectus 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

I. SPECIAL TAX BENEFITS

A. SPECIAL TAX BENEFITS AVAILABLE TO THE COMPANY

There are no special tax benefits available to the Company.

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

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

II. GENERAL TAX BENEFITS

The Income Tax Act, 1961 (provisions of Finance Act, 2009), Wealth Tax Act, 1957 and the Gift Tax Act, 1958, presently in force in India, make available the following general tax benefits to companies and to their shareholders. Several of these benefits are dependent on the companies or their shareholders fulfilling the conditions prescribed under the relevant provisions of the statute.

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

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

(a) Dividends Exempt Under section 10 (34)/10(35)

Under section 10(34) of the Act, the Company will be eligible for exemption of income by way of dividend (interim or final) on shares held in a domestic Company referred to in section 115-O of the Act or from units of mutual funds specified under section 10(23D) of the Act, income received in respect of units from the Administrator of the specified undertaking and income received in respect of units from the specified company in accordance with and subject to the provisions of section 10(35) of the Act.

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

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

(b) Computation of Capital Gains

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

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

As per the provisions of section 112(1)(b) of the Act, long term gains as computed above that are not exempt under section 10(38) of the Act, would be subject to tax at a rate of 20 percent (plus applicable surcharge, education cess and secondary higher education cess). However, as per the proviso to section 112(1), if the tax on long term capital gains resulting on transfer of listed securities or units or zero coupon

bond, calculated at the rate of 20 percent with indexation benefit exceeds the tax on long term capital gains computed at the rate of 10 percent without indexation benefit, then such gains are chargeable to tax at concessional rate of 10 percent (plus applicable surcharge, education cess and secondary higher education cess).

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

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

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

(c) Exemption of capital gain from income tax

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

(d) COMPUTATION OF BUSINESS INCOME:

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

- (i) Under Section 35 (1) (i) and (iv) of the Act, in respect of any revenue or capital expenditure incurred, other than expenditure on the acquisition of any land, on scientific research related to the business of the Company.
- (ii) Under Section 35 (1) (ii) and (iii) of the Act, in respect of any sum paid to a scientific research association which has as its object the undertaking of scientific research, or to any approved university, College or other institution to be used for scientific research or for research in social sciences or statistical scientific research to the extent of a sum equal to one and one fourth times the sum so paid. Under Section 35 (1) (iia) of the Act, any sum paid to a company, which is registered in India and which has as its main object the conduct of scientific research and development, to be used by it for scientific research, shall also qualify for a deduction of one and one fourth times the amount so paid.

- (iii) Under Section 36 (1) (xv) of the Act, the amount of Securities Transaction Tax paid by an assessee in respect of taxable securities transactions offered to tax as “Profits and gains of Business or profession” shall be allowable as a deduction against such Business Income.
- (iv) Subject to compliance with certain conditions laid down in section 32 of the Act, the Company will be entitled to deduction for depreciation in respect of tangible assets (being buildings, machinery, plant or furniture) and intangible assets (being know-how, patents, copyrights, trademarks, licenses, franchises or any other business or commercial rights of similar nature acquired on or after 1st day of April, 1998) at the rates prescribed under the Income Tax Rules, 1962;
- (v) The corporate tax rate shall be 30% (plus applicable surcharge, education cess and secondary and higher education cess).
- (vi) In accordance with and subject to the conditions specified under Section 80-IB(10) of the Act, the Company is eligible for hundred per cent deduction of the profits derived from development and building of housing projects approved before 31 March, 2008, by a local authority subject to fulfilment of conditions mentioned therein.
- (vii) Under section 24(a) of the I.T. Act, the Company is eligible for deduction of thirty percent of the annual value of the property (i.e. actual rent received or receivable on the property or any part of the property which is let out).
- (viii) Under section 80IA of the I.T. Act, 100 percent of profits is deductible for 10 years commencing from the initial assessment year in case of an undertaking which develops, develops and operates or maintains and operates an industrial park or special economic zone notified for this purpose in accordance with any scheme framed and notified by the Central Government for the period from April 1, 1997 and March 31, 2011 in case of an industrial park and March 31, 2006 for special economic zones.

COMPUTATION OF TAX ON BOOK PROFITS:

As provided under section 115JB of the Act, the company is liable to pay income tax at the rate of 15% (plus applicable surcharge, education cess and secondary and higher education cess) on the Book Profit as computed in accordance with the provisions of section 115JB of the Act, if the total tax payable as computed under the Act is less than 15% of the Book Profit as computed under the said section.

Under section 115JAA (1A) of the Act, tax credit shall be allowed of any tax paid under section 115JB of the Act (MAT). Credit eligible for carry forward is the difference between MAT paid and the tax computed as per the normal provisions of the Act. Such MAT credit shall not be available for set-off beyond 10 years succeeding the year in which the MAT becomes allowable. The company shall be eligible to set-off the MAT credit, thus carried forward, in the year in which it is required to pay the tax under the regular provisions of the Income-tax Act. The amount which can be set-off is restricted to the difference between the tax payable under the regular provisions of the Act and tax payable under the provisions of section 115JB in that year.

TAX REBATES (TAX CREDITS):

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

B. BENEFITS AVAILABLE TO RESIDENT SHAREHOLDERS:

1. Dividends exempt under section 10 (34)

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

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

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

2. Income of a minor exempt up to certain limit

Under Section 10(32) of the Act, any income of minor children clubbed in the total income of the parent under section 64(1A) of the Act will be exempted from tax to the extent of Rs.1,500 per minor child.

3. Computation of capital gains

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

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

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

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

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

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

Exemption of capital gain from income tax

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

4. Deduction in respect of Securities Transaction Tax paid against Business Income

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

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

(a) Dividends exempt under section 10 (34)

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

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

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

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

Under Section 10(32) of the Act, any income of minor children clubbed in the total income of the parent under section 64(1A) of the Act will be exempted from tax to the extent of Rs.1,500 per minor child.

(c) Computation of capital gains

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

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

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

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

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

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

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

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

Where shares have been subscribed in convertible foreign exchange

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

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

- According to the provisions of section 115D read with section 115E of the Act and subject to the conditions specified therein, long term capital gains arising on transfer of shares in an Indian Company not exempt under section 10 (38), will be subject to tax at the rate of 10 percent (plus applicable education cess and secondary higher education cess) without indexation benefit.
- According to the provisions of section 115F of the Act and subject to the conditions specified therein, gains arising on transfer of a long term capital asset being shares in an Indian company shall not be chargeable to tax if the entire net consideration received on such transfer is invested within the prescribed period of six months in any specified asset, if part of such net consideration is invested within the prescribed period of six months in any specified asset, the exemption will be allowed on a proportionate basis. For this purpose, net consideration means full value of the consideration received or accruing as a result of the transfer of the capital asset as reduced by any expenditure incurred wholly and exclusively in connection with such transfer. Further, if the specified asset in which the investment has been made is transferred within a period of three years from the date of investment, the amount of capital gains tax exempted earlier would become chargeable to tax as long term capital gains in the year in which such specified asset or savings certificates are transferred.
- As per the provisions of section 115G of the Act, non-resident Indians are not obliged to file a return of income under section 139(1) of the Act, if their source of income is only investment income and / or long term capital gains defined in section 115C of the Act, provided tax has been deducted at source from such income as per the provisions of chapter XVII-B of the Act.
- Under section 115H of the Act, where the non-resident Indian becomes assessable as a resident in India, he may furnish a declaration in writing to the assessing officer, along with his return of income for that year under section 139 of the Act to the effect that the provisions of the chapter XII-A shall continue to apply to him in relation to such investment income derived from any foreign exchange asset being asset of the nature referred to in sub clause (ii), (iii), (iv) and (v) of section 115C(f) for that year and subsequent assessment years until such assets are converted into money.
- As per the provisions of section 115-I of the Act, a non-resident Indian may elect not to be governed by the provisions of chapter XII-A for any assessment year by furnishing his return of income for that assessment year under section 139 of the Act, declaring therein that the provisions of chapter XII-A shall not apply to him for that assessment year and accordingly his total income for that assessment year will be computed in accordance with the other provisions of the Act.

Where the shares have been subscribed in Indian Rupees:

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

As per the provisions of section 112(1) (c) of the Act, long term capital gains that are not exempt u/s. 10(38) of the Act as computed above would be subject to tax at a rate of 20 percent (plus applicable education cess and secondary higher education cess). However, as per the proviso to Section 112(1) of the Act, if the tax payable in respect of long term capital gains resulting on transfer of listed securities or units, calculated at the rate of 20 percent with indexation benefit exceeds the tax payable on gains computed at

the rate of 10 percent without indexation benefit, then such gains are chargeable to tax at the rate of 10 percent without indexation benefit (plus applicable education cess and secondary higher education cess).

(ii) Exemption of capital gain from income tax

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

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

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

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

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 carry forward for eight years for claiming set-off against subsequent years' short-term as well as long-term capital gains. Long term capital loss suffered during the year is allowed to be set-off against long term capital gains. Balance loss, if any, could be carried forward for eight years for claiming set-off against subsequent years' long term capital gains.

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

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

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

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

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

(a) Dividends exempt under section 10 (34)

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

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

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

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

Under Section 10(32) of the Act, any income of minor children clubbed in the total income of the parent under section 64(1A) of the Act will be exempted from tax to the extent of Rs.1,500 per minor child.

(c) Computation of capital gains

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

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

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

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

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

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

As per section 74 Short term capital loss suffered during the year is allowed to be set-off against short-term as well as long term capital gain of the said year. Balance loss, if any, could be carry forward for

eight years for claiming set-off against subsequent years' short-term as well as long-term capital gains. Long term capital loss suffered during the year is allowed to be set-off against long term capital gains. Balance loss, if any, could be carried forward for eight years for claiming set-off against subsequent years' long term capital gains.

(d) Exemption of capital gain from income tax

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

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

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

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

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

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

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

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

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

(a) Dividends exempt under section 10 (34)

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

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

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

(b) Taxability of capital gains

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

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

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

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

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

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

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

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

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

F. BENEFITS AVAILABLE TO MUTUAL FUNDS

As per the provisions of section 10(23D) of the Act, any income of Mutual Funds registered under the Securities and Exchange Board of India Act, 1992 or regulations made there under, Mutual Funds set up by public sector banks or public financial institutions or authorized by the Reserve Bank of India, would be exempt from income tax subject to the conditions as the Central Government may notify. However, the mutual funds shall be liable to pay tax on distributed income to unit holders under section 115R of the Act.

G. BENEFITS AVAILABLE TO VENTURE CAPITAL COMPANIES/ FUNDS

As per the provisions of section 10(23FB) of the Act, any income of Venture Capital Companies/ Funds (set up to raise funds for investment in a venture capital undertaking registered and notified in this behalf)

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

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

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

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

Gift of shares of the Company made on or after October 1, 1998, are not liable to Gift tax. However, if an individual or HUF receives any property, which includes shares, without consideration, the aggregate fair market value of which exceeds Rs.50,000, the whole of the fair market value of such property will be considered as income in the hands of the recipient. Similarly, if an individual or HUF receives any property, which includes shares, for consideration which is less than the fair market value of the property by an amount exceeding Rs.50,000, the fair market value of such property as exceeds the consideration will be considered as income in the hands of the recipient.

Notes:

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

For and on behalf of,
Kalyaniwalla & Mistry
Chartered Accountants

Ermin K. Irani
Partner
Membership No. 35646
Place: Mumbai
Date: November 16, 2009

SECTION IV: ABOUT THE COMPANY

INDUSTRY OVERVIEW

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

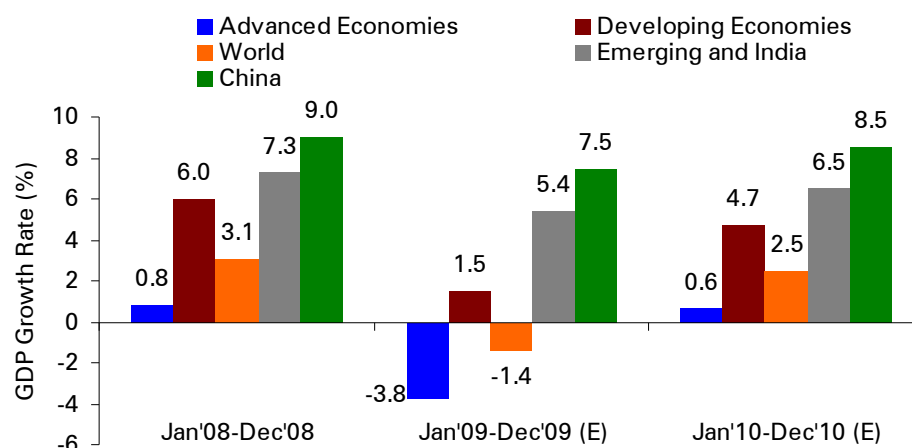
In this section information relating to Residential Real Estate Development is derived from “Housing Annual Review” (July 2009) and CRISIL Research – City Real(i)ty, 2009 conducted by CRISIL. CRISIL has used due care and caution in preparing this report. Information has been obtained by CRISIL from sources which it considers reliable. However, CRISIL does not guarantee the accuracy, adequacy or completeness of any information and is not responsible for any errors or omissions or for the results obtained from the use of such information. No part of this report may be published/reproduced in any form without CRISIL’s prior written approval. CRISIL is not liable for investment decisions which may be based on the views expressed in this report. CRISIL Research operates independently of, and does not have access to information obtained by CRISIL’s Rating Division, which may, in its regular operations, obtain information of a confidential nature that is not available to CRISIL Research.

The Indian Economy

India is the world’s largest democracy by population size and one of the fastest growing economies in the world. According to the CIA World Factbook, India’s estimated population was approximately 1.16 billion people as of July 2009. India had an estimated GDP on a purchasing power parity basis of approximately US\$3.297 trillion in 2008, making it the fifth largest economy in the world 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 to fiscal 2008. This high growth trajectory was impeded in fiscal 2009 with the growth rate of India’s GDP decelerating to 6.7%, compared to 9.0% in fiscal 2008, as a result of the global economic downturn. (Source: RBI, Macroeconomic and Monetary Developments: First Quarter Review, 2009-10)

However, despite the global economic decline in fiscal 2008, India continues to be one of the fastest growing countries in the world and is showing positive signs of recovery following the global financial downturn.

The graph below is a comparison between India’s expected GDP growth during calendar years 2009 and 2010, as compared to advanced economies, developing economies, China and the world. As can be seen from the graph, all of the countries are expected to see positive growth in calendar year 2010. This is due to the fact that economic conditions have improved more than expected, owing mainly to Government intervention. Further, India’s growth is expected to outperform advanced and developing economies. Recent data suggests that the rate of decline in economic activity is moderating, although this is occurring to varying degrees across different regions. Overall, liquidity has improved and capital market activity has picked up substantially across the world.



(Source: International Monetary Fund, World Economic Outlook Update, July 2009 (Calendar Year Growth Rates))

India's ability to recover from the global slowdown (and its own domestic liquidity crunch) 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 labour market and job losses, low export dependence, large rural consumption and employment have all helped India to sustain consumption. Finally, 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.

The Real Estate Sector in India

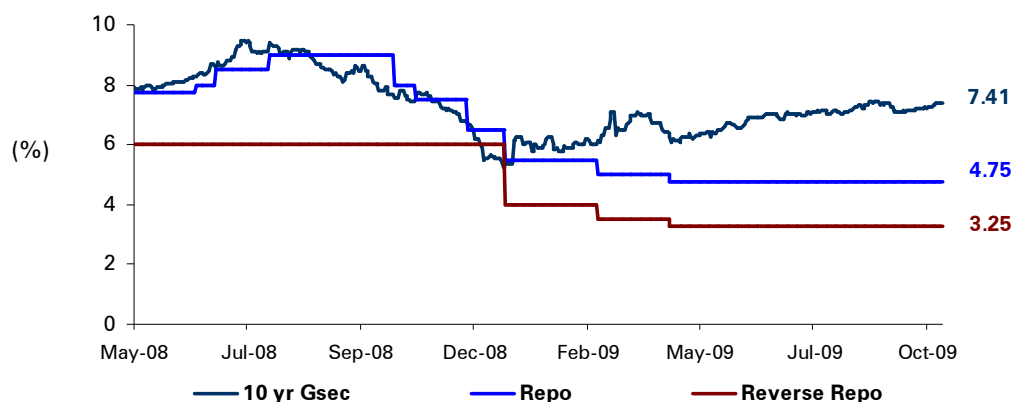
Historically, the real estate sector in India was unorganised and characterised by various factors that impeded organised dealing, such as the absence of a centralised title registry providing title guarantee, a lack of uniformity in local laws and their application, non-availability of bank financing,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

- the support of the Government for the repeal of the Urban Land (Ceiling and Regulation) Act ("ULCRA"), with all state governments having already repealed ULCRA except West Bengal, Bihar and Jharkhand;
- modifications in the Rent Control Act to provide greater protection to homeowners wishing to rent out their properties;
- rationalisation of property taxes in a number of states; and
- the proposed computerisation of land records.

The real estate industry is closely associated with the macroeconomic condition of a country or region. The following factors have a significant impact on demand and supply within the industry:

- **Economic growth:** In its latest World Economic Outlook, the International Monetary Foundation has projected a positive growth for the Indian economy during calendar years 2009 and 2010. India's growth is expected to be faster than that of both the advanced and the developing economies. (Source: International Monetary Fund, World Economic Outlook Update, July 2009)
- **Demographic profile:** The percentage of the Indian population that is made up of the earning population (in the 20-59 age brackets) is expected to increase, which will give rise to demand for housing. (Source: CRISIL Research's "Housing Annual Review" (July 2009))

- Interest rates and credit take-off: As shown in the graph below, the key rates have been reduced by the RBI over the last year, causing lowering of interest rates by banks, increased credit off-take and improvement in the real estate markets. It is believed that the lowering of interest rates will lead to increased new home purchases, since a large portion of new house acquisitions are financed through banks and financial institutions.



(Source: Bloomberg)

- Government policies: A number of RBI initiatives have helped developers to benefit from financing from banks. The Government in March 2005 amended existing legislation to allow 100% FDI in the construction business. It is expected that the increased FDI will help meet the demand of the commercial and residential real estate sectors. The following table shows that the foreign investment in the housing and real estate sector was second only to the services sector during the two most recent fiscal years:

Sector	2007-08 (Rs. in Crores)	2008-09 (Rs. in Crores)	Change (in %) in 2008-09
Services	26,589	28,411	6.9
Computer Software and Hardware	5,623	7,329	30.3
Telecommunications	5,103	11,727	129.8
Housing and Real Estate	8,749	12,621	44.3
Construction Activities*	6,989	8,792	25.8
Power	3,875	4,382	13.1
Automobiles	2,697	5,212	93.3
Metallurgical Industries	4,686	4,157	-11.3
Petroleum and Natural Gas	5,729	1,931	-66.3
Chemicals**	920	3,427	272.5

(Source: Department of Industrial Policy and Promotion)

* Including roads and highways

** Excluding fertilizers

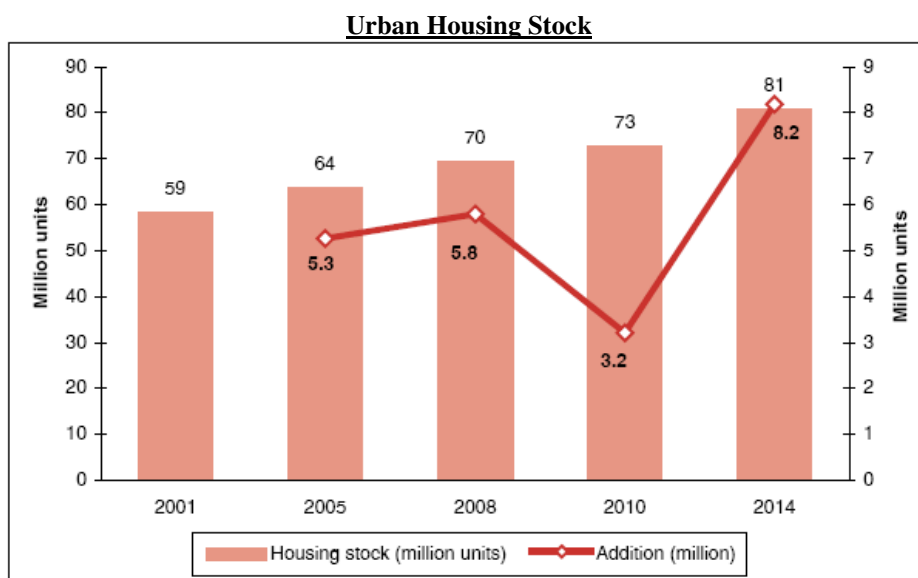
The trend towards greater organisation and transparency has contributed to the development of reliable indicators of value and organised investment in the real estate sector by domestic and international financial institutions and has also resulted in the greater availability of financing for real estate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

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

Residential Real Estate Development

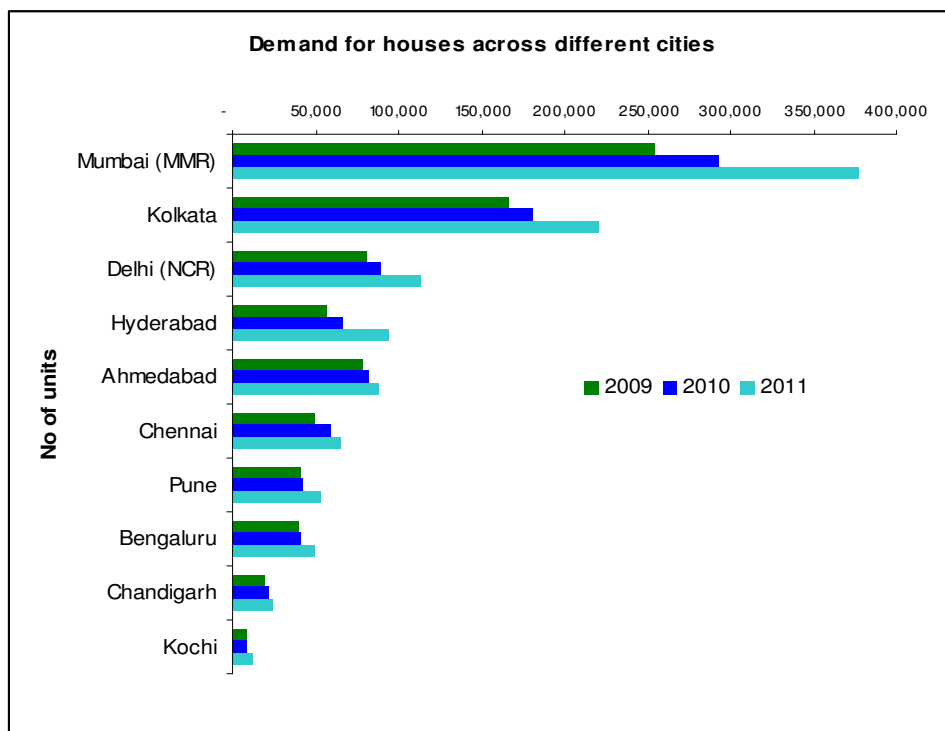
According to CRISIL Research's "Housing Annual Review" (July 2009), the growth in the residential real estate market in India has been largely driven by the continuous growth in population, migration towards urban areas, growing income levels, rise in nuclear families and easy availability of finance.

Housing stock grew in India during fiscal years 2005-2008, which generally corresponded with rising demand. There was also an increase in housing prices during this period. This increase in urban housing is due to accelerated urbanisation and demand created by the IT sector during fiscal years 2003-2008. The substantial rise in prices and demand for IT employees attracted developers, which also led to considerably greater supply in major urban areas. The rate of increase in housing stock peaked in 2008. At the national level, housing stock grew at a compound annual growth rate ("CAGR") of 2.6% between fiscal years 2001 and 2008. CRISIL Research's "Housing Annual Review" (July 2009) estimates that annual additions in units are expected to grow from 70 million units in 2008 to reach 81 million units in 2014. Estimated annual additions in units in rural areas are estimated to grow from 174 million units in 2008 to 198 million units in 2014. (Source: CRISIL Research's "Housing Annual Review" (July 2009))



(Source: CRISIL Research's "Housing Annual Review" (July 2009))

The housing demand across ten major cities is expected to increase from 0.8 million units in 2009 to 1.1 million units in 2011. The demand for houses is highest for Mumbai region followed by Kolkata.



(Source: CRISIL Research – City Real(i)ty, 2009)

High development of residential activities is concentrated on outskirts of ten major cities stated below as prime areas in every city are becoming saturated.

City	Growing Areas
Mumbai	Thane, New Mumbai, Mulund, Borivali, Kandivali, Andheri
Delhi	Rohini, Pitampura, Janakpuri, Dwarka, Sohna Road, Manesar, Indirapuram
Kochi	Kakkanad, Marudu
Kolkata	North 24 Parganas, Rajarhart, EM Byepass, Salt Lake
Chandigarh	Mohali, Zirakpur, Panchkula
Pune	Hinjeqadi, Hadapsar, Pimpri-Chinchwad
Bengaluru	Hebbal, Whitefield
Chennai	OMR, GST Road
Hyderabad	Hi-tech City, Shamshabad, Shameerpet
Ahmedabad	S.G. Highway, Prahlad Nagar, Chandkheda

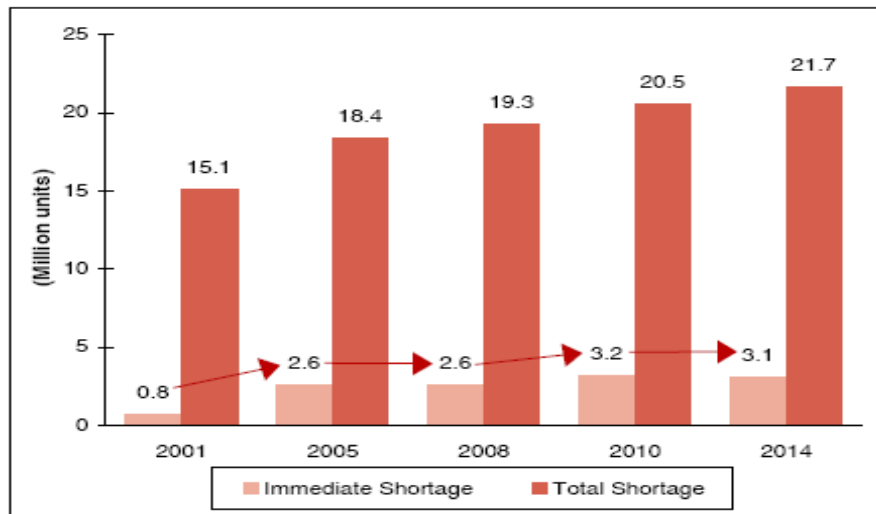
(Source: CRISIL Research – City Real(i)ty – 2009)

According to CRISIL Research's Annual Review on Housing, July 2009, the housing shortage is expected to grow in urban areas. The housing shortage in India is estimated at 78.7 million units by the end of 2008 and further estimates the housing shortage to be 79.2 million units in fiscal 2009. The economic slowdown has resulted in lower growth in the residential sector over the past two years, but is expected to improve in early 2010. The growth in the sector is expected to be assisted by the rising penetration of housing finance and favourable tax incentives.

Demand in the Indian residential segment has consistently outpaced supply as a result of India's favourable demographics, which has led to a housing shortage. The graph below illustrates the projected housing shortage in India over the coming years as a result of this demand supply mismatch. Immediate housing shortage is caused by oversupply in the premium segment and a substantial shortage in affordable housing for mid-income and low-income households, meaning that supply does not cater to where the potential demand lies. Total

shortage is a result of more long term factors, such as continued urbanisation and the growing trend of nuclear families. (Source: CRISIL Research's "Housing Annual Review" (July 2009))

Urban Housing Shortage

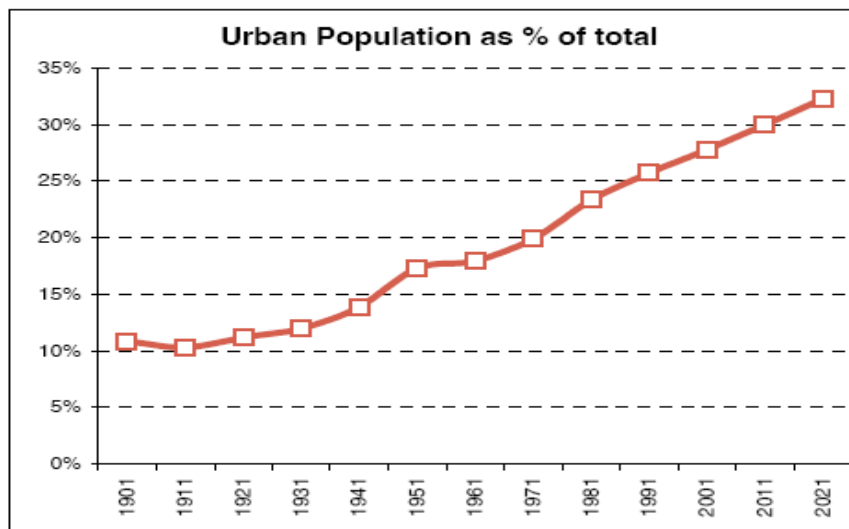


(Source: CRISIL Research's "Housing Annual Review" (July 2009))

According to CRISIL Research's Annual Review on Housing, July 2009, the macroeconomic factors supporting housing demand in India will be population growth, a demographic trend towards a younger majority population in India (between the ages of 20 and 69), an increase in urbanisation and shrinking household size. Some of the factors behind the demand supply mismatch for the sector have been highlighted below:

Rapid urbanisation: Historically, India has witnessed increasing urbanisation, with the urban population increasing over the years as shown in the graph below. This trend has given rise to increased need for quality housing within urban areas.

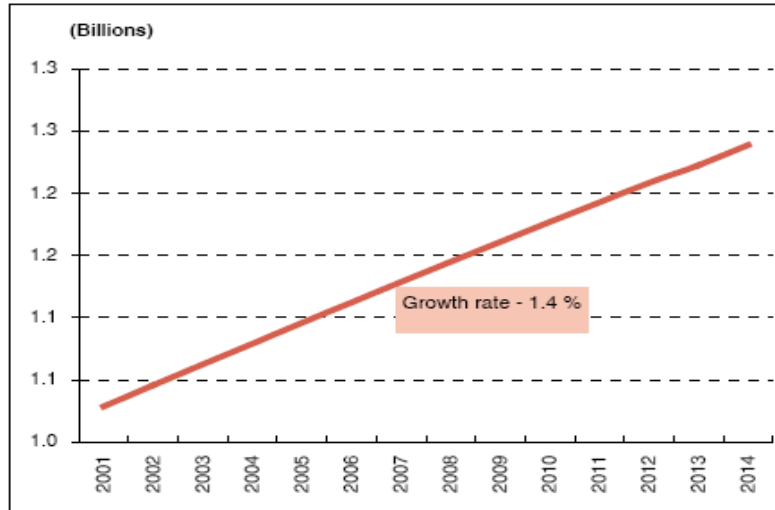
Urbanisation



(Source: CRISIL Research's "Housing Annual Review" (July 2009))

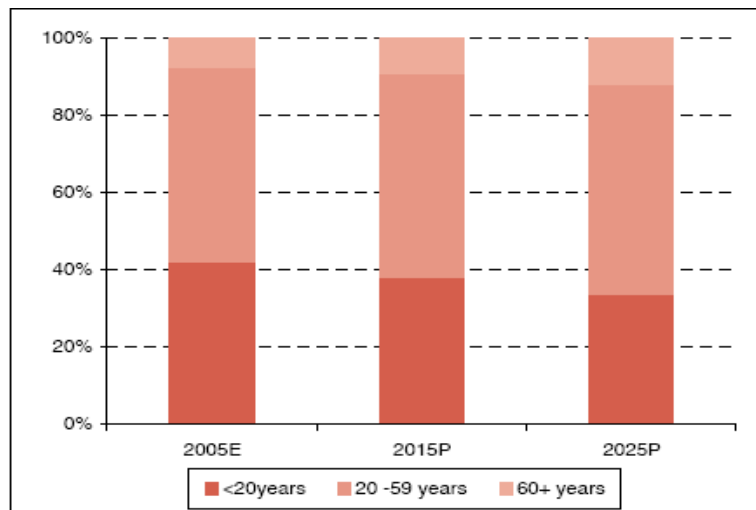
Growing population: According to CRISIL Research's Annual Review on Housing, July 2009, India's growing population is one of the demand drivers for segment as a majority of population in the earning age bracket (in the 20-59 age bracket) is expected to increase, which will give rise to demand for housing.

Population Growth (in billions)



(Source: CRISIL Research's "Housing Annual Review" (July 2009))

Population – Age Demographic Trends



(Source: CRISIL Research's "Housing Annual Review" (July 2009))

Rising disposable income and trend towards ownership: The high economic growth rate that India has experienced in recent years has led to an increase in disposable income and greater consumption. This, in turn, has led to enhanced aspirations and a desire to own homes.

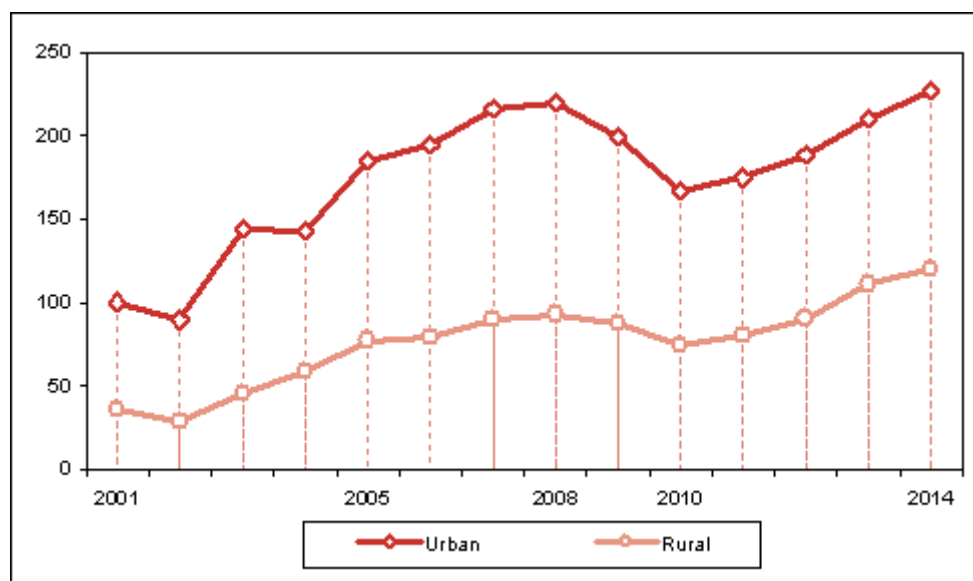
Growing middle class and favourable demographics: Increased demand for housing from the middle income segment is expected to be a key feature in the growth of the Indian real estate industry. India's growing population in the earning age bracket, coupled with the increase in disposable income in this bracket, is recognised as a key driver of growth in housing demand.

Nuclear families: Indian families are gradually moving away from the concept of joint families to nuclear-single household families, which has resulted in an increased demand for housing within the country.

Fiscal incentives: Income tax incentives on housing loans are another contributing factor in boosting the growth of residential housing property. Fiscal incentives are provided to the borrowers of housing loans in the form of exemptions and rebates on interest and principal repayments. These have a significant impact on the housing budgets of individuals and provide a boost to the spending on housing facilities.

Housing finance: Housing finance and low interest rates have been prevalent in recent years, leading to an increase in construction activity. However, interest rates have increased recently as a result of the global economic slowdown. Nevertheless, these are now re-adjusting in line with the gradual recovery of the global economy. The graph below shows movement in the indexed demand for financed houses. According to CRISIL Research's Annual Review on Housing, July 2009, overall, demand is expected to pick up in late 2009-2010, with awaiting buyers returning to the market and improvements in affordability due to a decline in market value and improving loan-to-value ratios.

Demand for Financed Houses (Indexed)



(Source: CRISIL Research's "Housing Annual Review" (July 2009))

Though the demand-supply scenario has remained positive for the residential segment at large, the segment has witnessed some correction in the last year. Such corrections are expected in the cyclical real estate market. To understand this more clearly, four distinct phases can be identified in the growth profile of residential real estate between 2001-2014. (Source: CRISIL Research's "Housing Annual Review" (July 2009))

Phase I (2001-2005) was an initial growth phase with housing off-take and an increase in residential real estate prices, following the global recovery after the "dot com" bust and the 9/11 terrorist attacks in New York. This was accompanied by steady growth in Indian economic activity, an increase in income levels, growing urbanisation and a rising trend towards nuclear families.

Phase II (2006-2008) was a high growth phase where high demand for residential real estate meant that prices more than doubled. India's growing population, rising disposable incomes, a rapidly growing middle class and youth population, low interest rates, fiscal incentives on interest and principal payments for housing loans and heightened customer expectations were among some of the reasons for the rapid increase in demand.

Phase III (2009-2010) is expected to witness a substantial slowdown in demand due to the global economic downturn, which led to a decline in affordability and tight liquidity. The retreat of various real estate investors, accompanied by the slowdown in the capital markets, has resulted in oversupply and falling prices.

Phase IV (2011-2014) is expected to be a consolidation phase, with demand, supply and prices gradually increasing in line with the improvement in the economic environment. As global recession fears subside and financing sources open up (both on the debt and the capital markets side), it is projected that the residential real estate market will improve.

Residential Market Recovery

As a result of the global economic slowdown, the residential markets experienced a turbulent time in the second half of 2008, with end-user affordability reaching new lows, developers refusing to reduce prices and sales coming to a halt. However, since the beginning of 2009, the situation has improved, with an increasing amount of new launches and a healthy absorption rate. The main factors behind this recovery are rationalisation of prices by developers, easing credit markets and improving economic conditions.

Commercial Development

Commercial locations in India

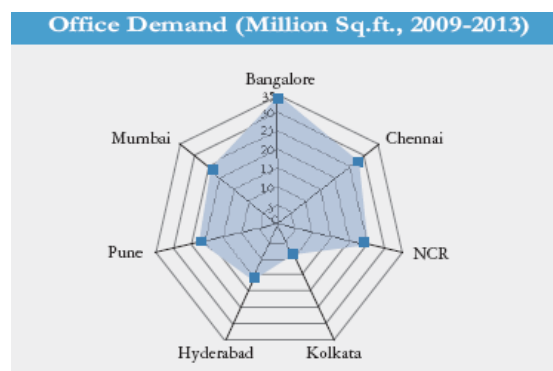
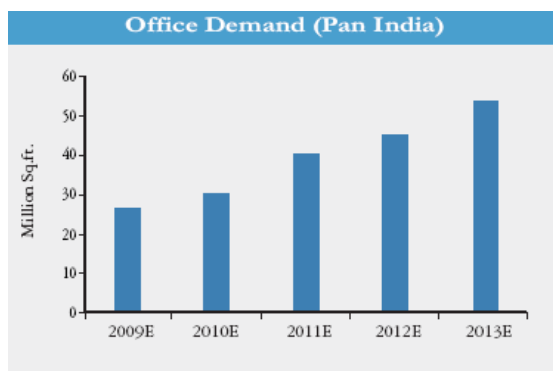
Over the past five years, locations such as Bengaluru, Gurgaon, Hyderabad, Chennai, Kolkata and Pune have established themselves as emerging destinations for commercial development, which are competing with traditional business destinations such as Mumbai and Delhi. These emerging destinations have succeeded in matching their human resource base with necessary skill sets, competitive business environments, cost efficiencies and improved infrastructure. The current relative position of the urban growth centers in India can be summarised as follows:

- metropolitan locations such as Mumbai, Delhi and Bengaluru have consistently been traditional business destinations and have traditionally attracted investment opportunities. These markets will continue to be focal points for specific business sectors and high value destinations for corporate headquarters. Additionally, peripheral business districts such as Thane, Navi Mumbai, Gurgaon and Noida have emerged as cost effective alternatives for large commercial developments;
- locations such as Pune, Chennai, Hyderabad, Chandigarh, Mohali and Kolkata offer cost advantages, developed infrastructure, supportive city governments and fewer restraints on the supply of real estate. Growth in these emerging destinations is predominantly led by the expansion and consolidation plans of corporations in the IT and ITES sectors.

Commercial space

The unprecedented growth in the industry and services sectors (particularly in the IT and ITES sectors) in India during 2005-2008 led to a huge demand for office space across cities, resulting in high absorption rates and increased rents in several micro-markets. This demand was largely driven by banking, financial services and insurance companies ("BFSI") and IT and ITES companies; two of the most prominent office space occupiers in India. However, forced by the global economic slowdown, IT and ITES companies have recently had to curtail their expansion.

Commercial real estate demand is essentially driven by the performance of the economy, infrastructure developments, an inherent talent pool and state level policies which encourage investment. The graphs below illustrate the projected demand for office space between 2009-2013 in the pan-India commercial sector and across India's seven major cities:



(Source: Cushman & Wakefield Report: Survival to revival, Indian Realty Sector on the path to recovery, September 2009)

The pan-India demand for office space is currently estimated to be 196 million square feet by 2013, with the seven major Indian cities accounting for approximately 80% of the total demand. Hyderabad, Kolkata and Pune are expected to witness the highest compounded annual growth, of approximately 28% during the period between 2009-2013. This highlights the growing prominence of Tier II cities in India. However, Bengaluru is projected to have the highest cumulative demand of 34 million square feet between 2009-2013, owing to renewed interest from the corporate sector following the global economic crisis. (Source: Cushman & Wakefield Report: Survival to revival, Indian Realty Sector on the path to recovery, September 2009) Nevertheless, established commercial centers are expected to remain slower in growth than their Tier II counterparts. Cumulative demand among the Tier I cities of Mumbai, the NCR and Bengaluru will account for 42% of the total demand, with Mumbai and the NCR accounting for 24 and 25 million square feet of office space between 2009-2013 respectively. (Source: Cushman & Wakefield Report: Survival to revival, Indian Realty Sector on the path to recovery, September 2009).

Competitive positioning of growth centres in India

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

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

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

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

Tier III Cities: The locations that would fall under this category include Ahmedabad and Kochi. With the availability of the requisite talent pool coupled with low cost real estate, there is growing interest in these Tier

III cities from the technology sector players, who seek to expand their operations into these previously untapped locations. Over the next three to five years, these markets are likely to see significant real estate growth.

Challenges Facing the Indian Real Estate Sector

Lack of national reach of existing real estate development companies

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

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

Majority of the market in the unorganised segment

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

Demand dependent on many factors

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

Increasing raw material prices

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

Interest rates

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

Tax incentives

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

Government Initiatives In The Indian Real Estate Sector

The Government has introduced many progressive reform measures to unlock the potential of the real estate sector and to meet increasing levels of demand. The Government has permitted FDI of up to 100% under the automatic route in townships, housing, built-up infrastructure and construction-development projects (the "Real

Estate Sector”), subject to certain conditions contained in Press Note No. 2 (2005 series) (“Press Note 2 of 2005”). A short summary of the conditions is as follows:

- (a) Minimum area to be developed is 10 hectares in case of serviced housing plots and 50,000 square metres in case of construction development projects. Where the development is a combination project, the minimum area can be either 10 hectares or 50,000 square metres.
- (b) Minimum capitalisation of US\$10 million for wholly owned subsidiary and US\$5 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 capitalisation 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. 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.

In addition to the above measures, the Government has recently announced an economic stimulus package in light of the impact of the global slowdown on the Indian real estate sector. Public sector banks and private sector banks have announced packages for home loan borrowers in various categories.

OUR BUSINESS

Overview

We are one of the leading real estate development companies in India (*Source: Construction World – “India’s Top 10 Builders”*) and are based in Mumbai, Maharashtra. We currently have real estate development projects in 10 cities in India, which are at various stages of development. Currently, our business focuses on residential, commercial and township developments. We are a fully integrated real estate development company involved in all activities associated with the development of residential and commercial real estate. We undertake our projects through our in-house team of professionals and by partnering with companies with domestic and international operations (See our Operation Methodology flow chart on page 100 of this Prospectus).

Our parent company, Godrej Industries Limited, currently holds 80.26% of our equity share capital. Godrej Industries Limited is the listed flagship company of the Godrej group of companies. The Godrej group of companies includes Godrej & Boyce Manufacturing Company Limited and is one of the leading conglomerates in India. The Godrej group was awarded the “Corporate Citizen of the Year” award by the Economic Times in 2003 and the Godrej brand was selected as the fourth best brand in India in The Week magazine’s ‘Mood of the Nation @ 60’ survey published on August 19, 2007.

Our residential portfolio consists of various types of accommodation of varying sizes. In our commercial portfolio, we build office space catering to blue-chip Indian and international companies, IT parks catering to the requirements of IT/ITES companies and retail space. Our township portfolio includes integrated townships consisting of residential and commercial developments. During the fiscal year 2009, our total revenue contribution from operation of our commercial activities, residential activities and other income operations was Rs. 167.66 Crores, Rs. 59.59 Crores and Rs. 23.01 Crores, respectively.

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

“Developable Area” refers to the total area which we develop in each project, and includes carpet area, common area, service and storage area, as well as other open area, including car parking. Such area, other than car parking space, is often referred to in India as “super built-up” area. “Saleable Area” refers to the part of the Developable Area relating to our economic interest in such property. As of October 31, 2009, we have completed a total of 23 projects comprising 16 residential and seven commercial projects, aggregating approximately 5.13 million sq. ft. of Developable Area.

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

Our total Land Reserves currently stand at 391.04 acres, aggregating to approximately 82.74 million sq. ft. of Developable Area and 50.21 million sq. ft. of Saleable Area, which includes our Ongoing Projects and Forthcoming Projects. The aforesaid Land Reserves include 64.23 acres which are in the process of being aggregated.

The table below provides our Land Reserves and estimated Developable Area and Saleable Area by cities as of October 31, 2009:

City	Estimated Developable Area (in million sq. ft.)	Estimated Saleable Area (in million sq. ft.)	Acreage*
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City	Estimated Developable Area (in million sq. ft.)	Estimated Saleable Area (in million sq. ft.)	Acreage*
Mumbai	3.69	2.26	38.85
Pune	12.32	1.33	26.23
Bengaluru	2.51	1.86	21.46
Kolkata	6.93	2.82	16.72
Hyderabad	9.60	9.60	34.00
Mangalore	0.83	0.61	4.53
Ahmedabad	40.43	27.38	223.51
Chandigarh	0.68	0.31	1.84
Kochi	2.52	1.76	15.16
Chennai	3.23	2.26	8.75
TOTAL	82.74	50.21	391.04

* Area refers to the share of the Company only.

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

Group Company	City	Acreage
Godrej & Boyce Manufacturing Company Limited	Mohali (Chandigarh)	75
Godrej Agrovet Limited	Bengaluru	100
Godrej & Boyce Manufacturing Company Limited	Hyderabad	10
TOTAL		185

We use the “joint development model” for developing properties, which entails entering into a development agreement with the owner(s) of the land parcel(s) sought to be developed. Typically, the land owner is paid an advance amount at the time of executing the development agreement. The development agreement generally states that the land owner(s) is entitled, as compensation, to a share in the developed property or a share of the revenues or profits generated from the sale of the developed property, or a combination of all or two of the above entitlements after adjusting the advance amount paid earlier.

In certain instances, we execute a memorandum of understanding with a party who has negotiated the acquisition of the land parcel(s) with the land owner(s) and is in the process of acquiring such land parcel(s). We pay an advance amount to the party acquiring the land parcel(s) to assist in entering into the required agreements to document the acquisition. The party acquiring the land parcel(s) as described above is generally referred to as an “aggregator”, the land parcel(s), the subject of the acquisition as “aggregated land” and the entire process until the execution of the development agreement or such other document with the aggregator as “aggregation”.

Our consolidated total income was Rs. 115.12 Crores for the period ended September 30, 2009, Rs. 250.25 Crores for the fiscal year 2009 and Rs. 227.51 Crores for the fiscal year 2008, as compared to Rs. 137.26 Crores for the fiscal year 2007. Our consolidated profit after tax and minority interest was Rs. 47.74 Crores for the period ended September 30, 2009, Rs. 75.63 Crores for the fiscal year 2009 and Rs. 75.02 Crores for the fiscal year 2008, as compared to Rs. 28.82 Crores for the fiscal year 2007.

Our Strengths

We believe that the following are our principal strengths:

Established brand name

We are a part of the Godrej group of companies, which is one of the leading conglomerates in India. We believe the “Godrej” brand is instantly recognisable amongst the populace in India due to its long presence in the Indian market, the diversified businesses in which the Godrej group operates and the trust we believe it has developed over 112 years of operations. The Godrej group was awarded the “Corporate Citizen of the Year” award by the Economic Times in 2003 and the Godrej brand was selected as the fourth best brand in India in The Week magazine’s ‘Mood of the Nation @ 60’ survey published on August 19, 2007.

We believe we have carried forward this brand name and reputation for quality to the real estate market in our locations of operation. Transparency and efficiency in operations have helped us in developing long-term relationships with our customers as well as investors in the real estate market, business partners, contractors and suppliers. We have received many business awards and recognition, including being featured among “India’s Top 10 Builders” in 2006, 2007, 2008 and 2009 by Construction World and “India’s Best Companies to Work For” (first in construction and real estate) in 2009 by Great Places to Work, India, in partnership with the Economic Times. In 2008, we received the Corporate Governance of the Year award by Accommodation Times.

Land Reserves in strategic locations

As of October 31, 2009, we have Land Reserves comprising 391.04 acres aggregating approximately 82.74 million sq. ft. of Developable Area and 50.21 million sq. ft. of Saleable Area, located in or near prominent and growing cities across India, such as Mumbai, Pune, Bengaluru and Ahmedabad. These include land parcels which we own directly, and land parcels over which we have development rights through agreements or memoranda of understanding.

Business development model

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

Execution methodology

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

We also use IT software and systems to improve productivity and monitor our projects and sales. For example, we use critical chain project management or “CCPM” methodology to manage our projects. In the real estate industry, where uncertainties, delays and budget overruns are frequent, we believe that CCPM builds reliability in the timely completion of our projects. To facilitate CCPM, we use “Concerto”, a CCPM specialised software, to ensure the effective control and monitoring of our projects by our core management team. Concerto software allows multi-site communications and provides critical chain scheduling features, reporting formats and portfolio management features. It aids in reducing losses of time and capacity, dealing with uncertainties and ensuring our commitments are met. We have also completed the implementation of SAP enterprise resource planning system to streamline operations, improve productivity and reduce costs. Finally, we have recently completed implementation of Salesforce CRM for two of our projects, which captures and tracks lead data, customer communication, campaigns and customer complaints. We expect that this software will help to increase our rate of lead conversion, track campaign interest and customer interactions.

We also associate with other third party architects, project management consultants, contractors and international property consultants.

Emphasis on innovation

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

Qualified and skilled employee base and human resource practices

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

Our Business Strategies

The following are the key elements of our business strategy:

Enhance and leverage the Godrej brand and the group resources

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

We believe that the strength of the Godrej brand and its association with trust, quality and reliability help us in many aspects of our business, including land sourcing, expanding to new cities and markets, formulating business associations and building relationships with our customers, service providers, process partners, investors and lenders. In addition, our association with the Godrej group helps us leverage group resources, including corporate governance best practices. For example, we were actively involved in a group-wide branding initiative that was conducted by Interbrand, a London-based brand consultant, in which Godrej Properties was identified, along with the personal grooming, furniture and aerospace divisions, as one of the "hero" businesses of the group. We intend to leverage the brand equity that we enjoy as a result of our relationship with the Godrej group of companies to expand our business. To further this strategy, we have engaged Brand Finance India, an independent brand valuation and strategy firm, to conduct a branded business valuation exercise to measure the economic value added by the Godrej brand to our business and to demonstrate how the Godrej brand can be used to attract future joint ventures and partners in order to build our pipeline of projects.

Continue to utilize effective development model to optimize resources

We intend to continue to develop most of our projects through joint development agreements with land owners. As of October 31, 2009 many of our projects have been or are being executed on a joint development basis (Please refer “Land Reserves” on page 81 of this Prospectus). We enter into revenue, profit or area sharing agreements with the land owners, instead of outright purchase of the land, which reduces our debt exposure and corresponding risk. This model has been beneficial for us in economic downturns and has provided stability to our business. In cases where we own a percentage interest in the development, we may selectively and opportunistically decide to sell our interest in such property where we perceive significant revenues from such transactions may be recognized.

Maintain our presence in metros and upcoming growth centers

We currently have a presence in 10 cities across India. We intend to maintain our presence in metropolitan cities and other high growth cities across the country. We have either acquired or are in the process of acquiring development rights in Mumbai, Bengaluru, Chennai, Hyderabad, Pune, Kolkata, Ahmedabad, Kochi, Chandigarh and Mangalore for residential, commercial and integrated township projects. We believe that the economic growth in these cities will result in increased demand for residential housing, as well as retail and commercial spaces. We recognise that continuing to build on our land reserves in our existing markets is critical to our growth strategy.

Focus on execution

We intend to continue to scale up the size of our operations and our project teams. We recognise the importance of delivering quality projects on a timely basis. We intend to increase the scale of our business while staying focused on quality. Selective outsourcing of the development process enables us to undertake more projects and source best-in-class development partners, while optimally utilising our resources. For example, we have entered into a memorandum of understanding with Larsen & Toubro Limited for its appointment as a contractor for the development of some of our future projects. We intend to continue to outsource activities such as design, architecture and construction to the best possible partners. For example, we have commissioned Pelli Clarke Pelli Architects, who have worked on prestigious projects around the world, such as the Petronas Towers in Kuala Lumpur, One Canada Square at Canary Wharf in London and the International Finance Center in Hong Kong, to master plan and design our Vikhroli development, and we intend to commission them for designing the first commercial building within the development. In addition, we have a dedicated team from P.G. Patki Architects working on some of our projects.

We also use Information Technology (IT) to support our execution capabilities. All our projects are currently operational on SAP. We have implemented several initiatives and processes to enhance our execution capabilities by engaging Goldratt Consulting in implementing their “Theory of Constraints” with CCPM. See “– Strengths – Execution methodology” above for details on CCPM. We have also implemented Sales Force Customer Relationship Management (CRM) system for managing leads and tracking customer interactions.

Focus on sustainable development

We intend to bring sustainable design to all of our projects. For example, the Ahmedabad township project has been chosen as one among sixteen projects around the world by the Clinton Climate Initiative to work towards being climate positive. In addition, we have commissioned Atelier Ten, a well regarded sustainability consulting firm, to guide us in achieving environmentally responsible design that will result in reduced operating costs for the Vikhroli development. Reduced operating costs are particularly important for the Vikhroli development because we intend to hold the commercial space.

Our Land Reserves

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

As of October 31, 2009, our Land Reserves aggregate approximately 391.04 acres for which we have made certain payments aggregating approximately Rs. 391.175 Crores and are further required to make an additional payment of approximately Rs. 292.649 Crores.

Our Land Reserves are located in and around Mumbai, Pune, Bengaluru, Kolkata, Hyderabad, Mangalore, Ahmedabad, Chandigarh, Kochi and Chennai. The following is a summary of our Land Reserves as of October 31, 2009:

S.No	Land Reserves (Category wise)	Acreage (in acres) *	% of total acreage	Estimated Developable Area (sq.ft. million)	% of Developable Area	Estimated Saleable Area (sq. ft. million)	% of Saleable Area
(i)	Land Owned by the Company						
	1. By itself	3.19	0.82	0.28	0.34	0.28	0.57
	2. Through its Subsidiaries	13.62	3.48	3.29	3.97	1.68	3.34
	3. Through entities other than (1) and (2) above	-	-	-	-	-	-
(ii)	Land over which the Company has sole development rights						
	1. Directly by the Company	-	-	-	-	-	-
	2. Through its Subsidiaries	34.00	8.69	9.60	11.60	9.60	19.12
	3. Through entities other than (1) and (2) above	-	-	-	-	-	-
(iii)	Memorandum of Understanding/ Agreements to acquire/ letters of acceptance and/ or its group companies are parties, of which:						
	1. Land subject to government allocation	-	-	-	-	-	-
	2. Land subject to private acquisition	9.07	2.32	0.10	0.13	0.10	0.20
(A)	Sub-total (i)+(ii)+(iii):	59.88	15.31	13.28	16.05	11.66	23.23
	Joint developments with partners						
(iv)	Land for which joint development agreements have been entered into by:						
	1. By the Company directly	302.43	77.34	62.54	75.58	35.59	70.88
	2. Through the Subsidiaries	6.83	1.75	4.14	5.01	1.29	2.57
	3. Through entities other than (1) and (2) above	21.90	5.60	2.78	3.37	1.67	3.33
(v)	Proportionate interest in lands owned indirectly by the Company through joint ventures	-	-	-	-	-	-
(B)	Sub-total (iv)+(v):	331.15	84.69	69.47	83.95	38.55	76.77
(C)	Total (i)+(ii)+(iii)+(iv)+(v):	391.04	100.00	82.74	100.00	50.21	100.00

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

This section describes in detail all agreements that the Company has entered into in respect of its land reserves including development agreements or MOU to enter into a joint development agreement or an agreement to sell.

The material agreement for category (A) above is our development agreement with Rallis India Limited dated November 1, 2007, which is described under the section (ii) 2 below. Additionally, the material agreement for

category (B) above, is our agreement to grant development rights with Shree Siddhi Infrabuild Private Limited dated April 15, 2008, which is described under (iv).1(11) below.

(i) *Land owned by the Company*

(i).1 By Itself:

Our Company by itself owns 3.19 acres of land constituting 0.82% of the total Land Reserves. Of the said lands we expect to develop approximately 0.28 million sq. ft. constituting approximately 0.34% of the total Developable Area.

S. No.	City	Location	Amount paid as on October 31, 2009 (In Rupees Crores)	Amount payable as on October 31, 2009 (In Rupees Crores)	Economic ownership of our Company (Percentage)	Area (In acres)
1.	Mumbai	Village Barave, Kalyan, District Thane	6.5	Nil	100%	3.19

Deed of conveyance with Mirkute family members and Shirish Madhukar Dalvi

Our Company had entered into a joint venture agreement dated May 5, 2004 with Mr. Shirish Madhukar Dalvi, for development of land admeasuring 3.19 acres located at Village Barave, Taluka Kalyan, District Thane. The said land was proposed to be developed by our Company in accordance with the terms of the joint venture agreement. Subsequently, our Company has entered into a deed of conveyance dated April 8, 2009 with members of the Mirkute family and Mr. Shirish Madhukar Dalvi for the said land admeasuring 3.19 acres located at Village Barave, Taluka Kalyan, District Thane. In terms of the deed of conveyance, Mr. Dalvi has paid the owners of the said land a sum of Rs. 0.34 Crores and the Company has paid Mr. Dalvi a sum of Rs. 6.5 Crores. Our Company now holds the land directly by itself.

(i).2 Through its Subsidiaries:

Our Company owns 13.62 acres constituting 3.48% of the total Land Reserves our wholly owned subsidiary, Happy Highrises Limited. Of the said lands we expect to develop approximately 0.33 Crores sq. ft. constituting approximately 3.97% of the total Developable Area.

A share purchase and subscription agreement (“Subscription Agreement”) was entered into on August 31, 2009 between our Company, Milestone Real Estate Fund (“Investor”) and Happy Highrises Limited wherein our Company as agreed to sell to the Investor 99,528 Equity Shares of Happy Highrises for a consideration of Rs. 86.10 Crores. The investor shall on subscription of the shares hold 49% of the issued and paid up equity share capital of Happy Highrises Limited and our Company shall hold 51% of the issued and paid up equity share capital of Happy Highrises Limited. For details refer to page 125 in the section titled “History and Corporate Structure - Share Purchase Agreement in respect of Happy Highrises Limited” and page 127 in the section titled “History and Corporate Structure - Share Purchase and Subscription Agreement between Milestone Real Estate Fund, our Company and Happy Highrises Limited” of this Prospectus.

S. No.	City	Subsidiary holding the lands	Amount paid as on October 31, 2009 (In Rupees Crores)	Amount payable as on October 31, 2009 (In Rupees Crores)	Economic ownership of our Company (Percentage)	Area (In acres)
1.	Kolkata	Happy Highrises Limited	61.0	Nil	51%	13.62

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

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

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

(ii).1 Directly by the Company:

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

(ii).2 Through its Subsidiaries:

We hold sole development rights through our subsidiary, Godrej Real Estate Private Limited, aggregating to approximately 34.00 acres of land located in and around Hyderabad, constituting 8.69% of the total Land Reserves. Of the said land we plan to develop approximately 9.60 million sq. ft. constituting 11.60% of the total Developable Area.

As of October 31, 2009, we have paid a sum of Rs. 57 Crores towards the development rights to this land.

The following land forms part of this category:

S.No	Development Rights arising pursuant to	Location	Amount paid as of October 31, 2009 (In Rupees Crores)	Amount payable (In Rupees Crores)	Area (In acres)
1.	Development Agreement dated November 1, 2007	Patancheru Village and Mandal, Sanga Reddy Taluk, Medak District, Hyderabad	57.00	Nil	34.00

Development Agreement with Rallis India Limited

Our Subsidiary, Godrej Real Estate Private Limited, has entered into a development agreement dated November 1, 2007 with Rallis India Limited where our Company is also a confirming party, for development of land admeasuring 34 acres as an IT Park located at Patancheru Village and Mandal, Sanga Reddy Taluk, Medak District, Hyderabad. Our Company has paid Rallis India Limited a sum of Rs. 57 Crores as one time lumpsum consideration. As per the terms of the agreement, Rallis India Limited shall not be entitled to any share in the revenue/profits of the said property in future and only Godrej Real Estate Private Limited shall be entitled to the entire revenue/profits earned from the sale or transfer of any part or portion of constructed property to the proposed purchasers or third parties. Further, Rallis India Limited shall not interfere with the construction activity/work, which shall be solely supervised and handled by Godrej Real Estate Private Limited.

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

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

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

(iii).1 Land subject to government allocation:

None of our lands are subject to government allocation.

(iii).2 Land subject to private acquisition:

Our Company holds approximately 9.07 acres constituting 2.32% of the total Land Reserves under this category. Of the said land we expect to develop approximately 0.10 million sq. ft. constituting approximately 0.13% of the total Developable Area. As of October 31, 2009, we have paid a sum of Rs. 6.5 Crores towards this land.

S.No	Development Rights arising pursuant to	Location	Amount paid as of October 31, 2009 (In Rupees Crores)	Amount payable (In Rupees Crores)	Area (In acres)
1.	Agreement for services dated November 20, 2008	Village Kolivli and Umbarde, Taluka Kalyan, District Thane	6.5	59.32	9.07

Agreement for services with Mr. Shirish Madhukar Dalvi

Our Company has entered into an agreement for services dated November 20, 2008 with Mr. Shirish Madhukar Dalvi in terms of which Mr. Dalvi shall acquire various contiguous parcels of land admeasuring approximately 160 acres located at village Kolivli and Umbarde, Taluka Kalyan, District Thane. As of the date of this Prospectus, Mr. Dalvi has obtained and provided to our Company registered agreements for sale / development agreements and powers of attorney in respect of an aggregate area admeasuring approximately 9.55 acres out of the total area of 160 acres. In accordance with the agreement, it is proposed that a private limited company shall be incorporated for the purpose of acquiring the remaining portions of the total land under the agreement. Our Company shall enter into a share call option agreement to sell and transfer all shares of the new company to be incorporate under this agreement. Further Mr. Dalvi shall provide an indenture of pledge under which his entire shareholding along with the shareholding of other shareholders shall be pledged in favour of our Company. Further, our Company has entered into an agreement for service charges dated April 8, 2009 with Mr. Dalvi in terms of which it is agreed that in the event our Company is able to develop the entire area of the land under the agreement for services, Mr. Dalvi shall be entitled to 5% of the gross revenue on sale of the developed saleable area / units / premises on the said land or to 5% of our Company's revenue on lease or leave and license of the developed saleable area/units/premises on the said land.

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

(iv).1 By the Company directly:

The Company has entered into joint development agreements/memorandum of understandings directly with land owners who grant us permission to develop and sell our portion of the developed plot in one or several parts. The terms of these joint development agreements/ memorandum of understandings do not convey any title in the land with respect to which the joint development agreement/memorandum of understanding is being executed. Under these joint development agreements/ memorandum of understandings we are required to pay a refundable/non refundable deposit to the owner of the land. Approximately 302.43 acres, located in and around Mumbai, Bengaluru, Mangalore, Chandigarh, Kochi, Ahmedabad, Pune and Chennai, constituting 77.34% of the total Land Reserves, are held under this category. Of the said lands we plan to develop approximately 62.54 million sq. ft. See Risk Factor titled "We are required to make certain payments when we enter into joint development agreements which may not be recoverable" on page xxix of this Prospectus.

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

S.No	City	Location	Date of the Agreement/ MoU		Parties	Amount paid as of October 31, 2009 (In Rupees Crores)	Amount payable (In Rupees Crores) ¹	Economic ownership of our Company (Percentage)	Area (In acres)*
a)	Mumbai	Village Barave, Kalyan, District Thane	August 22,	2000	Mr. Shirish Madhukar Dalvi and our Company	Nil	Nil	75	1.20
b)	Mumbai	Village Chitalsar, Manpade Taluka, District Thane	May 3,	1991	Mr. Deepak Verma, Mr. Dharendra Verma, Mrs. Kaushalya Devi Verma, Ms. Veerbala Reddy and our Company	Nil	Nil	42.5	2.62
c)	Mumbai	Keshavrao Khadye Marg, Byculla,	September 24,	2004	Simplex Mills Company Limited and our Company	2.00	Nil	30	0.54
d)	Mumbai	Chunabhatty, Kurla	June 17,	1999	M/s. Silver Developers and our Company	Nil	Nil	25	0.32
e)	Bengaluru	Hebbal Village, Kasaba Hobli,	January 22,	2004	Amco Batteries Limited and our Company	Nil	Nil	79	7.13
f)	Bengaluru	Chikkabidara kallu Village, Dasanapura Hobli	April 20,	2007	1. Mr. Feroz Khan, 2. Mr. Fardeen Khan and 3. Our Company	13.75	Nil	50	6.49
g)	Bengaluru	Nagarur Village, Dasanapura Hobli	December 18,	2007	Esskay Properties and Investments Limited and our Company	20.00	Nil	78	7.16
h)	Mangalore	Dakshina Kannada District, Padavu Village	November 15,	2007	Mr. B. M. Farookh and our Company	17.50 ²	Nil	73.5	4.53
i)	Chandigarh	Industrial Plot No. 70, Industrial Area, Phase-I, Chandigarh	February 4,	2008	M/s Zara Infrastructure Private Limited, other land owners and our Company	25.00	Nil	45.50	1.84
j)	Kochi	Trikkakara North Village, Kanayannur,	February 15,	2008	TCM Limited and our Company	19.68	0.33	70	15.16

S.No	City	Location	Date of the Agreement/ MoU	Parties	Amount paid as of October 31, 2009 (In Rupees Crores)	Amount payable (In Rupees Crores) ¹	Economic ownership of our Company (Percentage)	Area (In acres)*
Ernakulam								
k)	Ahmedabad	Jagatpur, Taluka Dascroi, District Ahmedabad – 2 (Wadaj)	April 2008	15, Shree Siddhi Infrabuild Private Limited and our Company	143.00	182.00	Residential (1 million sq. ft.) – 75% Commercial (1 million sq. ft.) – 63.6% Remaining portion of land – 67.6%	223.51
l)	Chennai	Chembarambakkam Village, Poonamallee Taluk, Thiruvallur District	February 22, 2008	Addison & Company Limited and our Company	8.00	Nil	70	8.75
m)	Bengaluru	Hebbal village, Kasaba Hobli, Bengaluru North Taluk	March 28, 2009	Mr. K. Syama Raju and our Company	1.00	Nil	59	0.94
n)	Pune	Village Bhugaon, Pune	September 25, 2009	Mr. Sanjay Dattatreya Kakade, Kakade Estate Developers Private Limited, Mr. Sarang Kale, Lucifer Engineering (P) Limited and our Company	3.00	51.00	10	22.25
TOTAL					252.93	233.33		302.43

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

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

² An amount of Rs. 2.50 Crores is non-refundable.

Details of the agreements/MoUs of each project (in addition to the above table) are as mentioned below:

1. Our Company has entered into a joint venture agreement dated August 22, 2000 with Mr. Shirish Madhukar Dalvi, for development of land located at Village Barave, Taluka Kalyan, District Thane. As per the terms of the agreement, the net surplus arrived at after deducting the costs from gross sale proceeds received from the project will be distributed between our Company and Mr. Dalvi in the ratio of 75:25. Further, in the event of inadequate gross sale proceeds or net surplus or if there is a net deficit our Company shall pay a sum of Rs. 0.55 Crores to Mr. Dalvi as a guaranteed minimum sum.
2. Our Company has entered into four memoranda of understanding all dated May 3, 1991 with Mr. Deepak Verma, Mr. Dharendra Verma, Mrs. Kaushalya Devi Verma, Ms. Veerbala Reddy, the owners of land admeasuring approximately 87,710 sq. mt. located at Village Chitalsar, Manpade Taluka,

District Thane. As per the terms of the arrangement between the parties, the landowners receives 15% of the gross sales of the developed project and have a further share of 50% of the profit arrived after deducting the development cost from the remaining 85% of the gross sales.

3. Our Company has entered into a development agreement dated September 24, 2004 with the Simplex Mills Company Limited, being the owner of land admeasuring approximately 36,553.80 sq. mt. located at Keshavrao Khadye Marg, Sant Gadge Maharaj Chowk, Byculla, Mumbai ("the said larger property"). Out of the larger property, land admeasuring 28717.62 sq. mt., is freehold land, whilst land admeasuring 7836.18 sq. mt., is leasehold land. In respect of the leasehold land, a lease deed dated August 26, 1884 was executed by and between the owner and the Collector of Mumbai.
4. Our Company has entered into a memorandum of understanding dated June 17, 1999 with Mr. Jagshi Jethabhai Chheda, a sole proprietor carrying on business in the name of M/s Silver Developers for the purpose of implementing and completing the development and construction work of land admeasuring approximately 1.30 acres at Chunnabhatty at Village, Kurla in Greater Mumbai. As per the terms of this agreement, our Company shall be paid an amount equal to 38.25% of the net realization and the balance amount shall be retained by Silver.
5. Our Company has entered into a joint development agreement dated January 22, 2004 with Amco Batteries Limited, as the owner of land, for development of land admeasuring 20.1 acres located at Hebbal Village, Kasaba Hobli, Bengaluru. Under the terms of the agreement, in consideration of our Company developing the property and marketing and disposing off the owner's share in the property, the owner has agreed to transfer 72% undivided share of the right, title and interest in the property to our Company and the balance 28% shall remain with the owner. The agreement states that our Company shall be entitled to alienate, mortgage, transfer or otherwise be in possession of its share of the property. The parties have agreed that our Company shall market and sell the owner's share in the property along with its own share and pay the gross sale consideration to the owner in the proportion of its share in the property. In terms of an agreement for sale dated March 7, 2006 Mr. Udhay GK has agreed to purchase 21% out of the share of Amco Batteries Limited under the said development agreement and our Company has agreed to purchase the remaining 7% of the share of Amco Batteries Limited. Thus, our Company is entitled to 79% of the undivided share, right, title and interest in the property and Mr. Udhay GK is entitled to balance 21% of the undivided share, right, title and interest property.
6. Our Company has entered into a joint development agreement dated April 20, 2007 with Mr. Feroz Khan and Mr. Fardeen Khan, as the owners of land, for development of land admeasuring 12.97 acres located at Chikkabidarakallu Village, Dasanapura Hobli, Bengaluru. By letter dated November 2, 2006 bearing No. BDA/TPM/PL-40/05/2651/2006-07, the Bangalore Development Authority has sanctioned the layout plan in respect of the property under which the property can be developed for residential use. Our Company has, at the time of execution of the agreement, paid to the owners a sum of Rs. 13.7 Crores as deposit which shall be adjusted against the owner's share of the consideration. As per the terms of the agreement, the owners shall deposit the title documents of the property with an escrow agent. The title documents shall be handed over to the Company after we have expended a sum of Rs. 15.0 Crores towards the cost of development of the property. Upon release of the title documents our Company may utilise the same to raise finance against the security from banks and financial institutions. The parties to the agreement have agreed that the profits derived from the sale of the premises/units will be distributed between our Company and the owners in the ratio of 50:50.
7. Our Company has entered into a joint development agreement dated December 18, 2007 with Esskay Properties and Investments Limited, as the owner of land, for development of land admeasuring 9.18 acres located at Nagarur Village, Dasanapura Hobli, Bengaluru. The property has been converted from agricultural use to health club and commercial use by order No. BDS/ALN/SR(N)/177/92-93 dated March 2, 1994 issued by the office of the Deputy Commissioner, Bengaluru. Further, as per the terms of the agreement the gross sale proceeds received from the project will be distributed between our Company and Esskay Properties and Investments Limited in the ratio of 78:22.

8. Our Company has entered into a development agreement dated November 15, 2007 with Mr. B. M. Farookh, as the owner of land, for development of land admeasuring 6.16 acres located at Dakshina Kannada District, Padavu Village, Mangalore. As per the terms of the agreement, our Company shall construct residential and commercial units on the property. The parties have agreed to share the residential development on an area sharing basis and the commercial development on a revenue sharing basis in the ratio of 73.50:26.50.
9. Our Company has entered into a joint development agreement dated February 4, 2008 with M/s Zara Infrastructure Private Limited, along with the other owners entitled to the respective portions of land admeasuring approximately 16,378.66 sq. mt. located at Industrial Plot No. 70, Industrial Area, Phase-I, Chandigarh. The Company has been assigned, by M/s Zara Infrastructure Private Limited, the development rights with respect to the property along with a right to exclusively market, sell/convey the constructed premises and receive the sale proceeds vis-à-vis the property. In terms of the joint development agreement the owners were entitled to 50% of the gross sales revenue and M/s Zara Infrastructure Private Limited and our Company were entitled to 50% of the gross sales revenue. Further, the parties have entered into a supplementary development agreement dated March 3, 2009 to re-negotiate the commercial understanding arrived at under the joint development agreement. The parties have now agreed that our Company and M/s Zara Infrastructure Private Limited shall be entitled to 54% of the gross sales revenue and the owners of the property shall be entitled to 46% of the gross sales revenue.
10. Our Company has entered into a joint development agreement dated February 15, 2008 with TCM Limited, as the owner of land, for development of land admeasuring 21.66 acres located at Trikkakara North Village, Kanayannur Taluk, Ernakulam District. TCM Limited has been declared as a sick company by the BIFR under the provisions of the Sick Industrial Companies (Special Provisions) Act, 1985. TCM Limited has clear and marketable title to the property subject to encumbrances, including borrowings from banks and financial institutions and statutory dues and the owner may create third party rights in the property only after obtaining specific approval from the BIFR. The agreement states that the property is free hold, non-agricultural land and is not located in a zone restricted for industrial use. As per the terms of the agreement if the proposed project includes commercial development, our Company shall allot 5,000 sq. ft. of saleable area in the commercial premises at actual construction cost to TCM Limited.
11. Our Company has entered into an agreement to grant development rights dated April 15, 2008 (the "AGDR") with Shree Siddhi Infrabuild Private Limited ("SSIPL") that has identified a neighbouring piece of land admeasuring approximately 250 acres located at Jagatpur, Taluka Dascroi, in Ahmedabad- 2 (Wadaj) (the "Larger Property") which, is owned and possessed by agriculturists. The AGDR also stated that SSIPL is in the process of acquiring additional land admeasuring 80 acres over which SSIPL shall grant development rights to our Company. It was agreed that SSIPL shall obtain clear and marketable title with respect to the property. In terms of the AGDR our Company was required to provide exclusive marketing and other services, finance and expertise in lieu of developing the township the right to sell, convey 67.60% of the built up property and receive 67.60% of the sale proceeds vis-à-vis the property and SSIPL's shall receive a share of 32.40% in the built premises. The parties have incorporated a separate company, Shree Siddhi Infrabuildcon Private Limited ("Siddhi"), in accordance with the terms of the AGDR. SSIPL, Siddhi and our Company have entered into a development agreement dated September 2, 2008 for grant of development rights to our Company for an area admeasuring 65.76 acres forming part of the larger property. In terms of the development agreement, Siddhi and our Company have agreed to share 32.40% and 67.60% of the said property admeasuring 65.76 acres. Thereafter, the parties have entered into a supplemental agreement to grant development rights dated April 13, 2009 wherein it was agreed to amend their respective sharing ratio in respect of the property such that Siddhi and our Company shall have 25% and 75% share respectively in the first developed 1.00 million sq. ft. of residential area and 36.40% and 63.60% share respectively in the first developed 1.00 million sq. ft. of commercial area. The parties entered into a supplemental agreement to the development agreement dated April 13, 2009 to reflect the revised sharing ratio of Siddhi and our Company. Further, the parties have entered into a development agreement dated April 13, 2009 for grant of development rights to our Company for an area

admeasuring 43.42 acres forming part of the larger property. Further, in relation to approximately 1.5 acres of land out of the Larger Property there is an order passed by an appropriate authority in terms of which this area of 1.5 acres is not transferable. SSIPL/ Siddhi have made an application before the Collector for removal of such restriction in order to enable them to freely grant development rights for such 1.5 acres.

Our Company has also entered into a memorandum of understanding dated January 13, 2009 with the Ahmedabad Municipal Corporation (AMC) in terms of which AMC would facilitate our Company in obtaining necessary permissions/registrations from concerned departments of the state and central government and would also help to avail incentives under various schemes announced by the state/central government.

12. Our Company had entered into a memorandum of understanding dated February 22, 2008 with Addison & Company Limited, Chennai, to enter into a development agreement for development of land admeasuring 17.397 acres located at Chembarambakkam Village, Poonamallee Taluk, Thiruvallur District, Chennai into IT, commercial and residential buildings. Our Company has now entered into a development agreement dated September 7, 2009 with Addison & Company Limited for acquiring development rights in relation 12.57 acres of land for the purpose of developing residential buildings. The parties have agreed that Addison & Company Limited shall be entitled to 30% of the saleable constructed area and our Company shall be entitled to 70% of the saleable constructed area.
13. Our Company has entered into a joint development agreement dated March 28, 2009 with Mr. K. Syama Raju, owner of the land, for development of land admeasuring 1.15 acres located at Hebbal village, Kasaba Hobli, Bengaluru North Taluk (now within the jurisdiction of the Bruhat Bangalore Mahangara Palike). Our Company proposes to construct residential/commercial buildings on the land as may be decided by our Company and as per the plans that may be approved by the appropriate authorities. In terms of the joint development agreement Mr. Raju shall be entitled 41% of the saleable constructed area of the said land and our Company shall be entitled to 59% of the saleable constructed area of the said land.
14. Our Company has entered into a memorandum of understanding dated September 25, 2009 with Mr. Sanjay Dattatreya Kakade ("SDK"), Kakade Estate Developers Private Limited ("KEDPL"), Mr. Sarang Kale ("Mr. Kale") and Lucifer Engineering (P) Limited ("Lucifer"). The parties to the memorandum of understanding have agreed that SDK, being the owner of 128.24 acres of land located at village Bhugaon, Pune ("A Land"), shall transfer the A Land to KEDPL after converting the same to non-agricultural use. Further, Mr. Kale, being the owner of 87 acres of land located at Village Bhugaon, Pune ("B Land"), shall transfer the B Land to Lucifer after converting the same to non-agricultural use. SDK has further agreed to purchase 22 acres of land and transfer the same to KEDPL. Mr. Kale has stated that out of the B Land 28 acres is affected by a hill slope and thus he has agreed to purchase more land in order to maintain an aggregate of minimum 75 acres of B Land. SDK/KEDPL and Mr. Kale/Lucifer have agreed to allow our Company to develop on land measuring 225 acres. In terms of the memorandum of understanding KEDPL and Mr. Kale/Lucifer are required to incorporate a special purpose vehicle for the development of A and B Land. KEDPL and Mr. Kale would hold 67.67% and 33.33% respectively in the special purpose vehicle.

They would then require to satisfy certain conditions within six months of the date of this agreement (including transfer of lands, conversion to non-agricultural use and making clear and marketable title of the A Land and B Land). Our Company shall then pay Rs. 51.0 Crores to the special purpose vehicle and be allotted/ transferred shares at a value equivalent to Rs. 373 per square foot of FSI actually available for development and such that our Company's shareholding in the Company shall be to the extent of 14.74%. On getting approvals and permission, the value of the lands to be developed shall increase to Rs. 550 per square foot. The shareholding of our Company shall reduce proportionately.

Our Company shall be appointed Development Manager for A Land and B Land and be provided consideration of Rs. 162 per square foot of the saleable area on the developable lands. Our Company is also entitled to incremental consideration if the special purpose vehicle achieves profits. Our Company

shall also be entitled to increase its shareholding in the Company within one year from the date of execution of the development Agreement

(iv).2 Through the Subsidiaries:

We hold development rights through our subsidiaries aggregating to approximately 6.83 acres of land located in and around Pune and Kolkata, constituting 1.75% of the total Land Reserves. Of the said lands we plan to develop approximately 4.14 million sq. ft. constituting 5.01% of the total developable area.

As of October 31, 2009, we have paid a sum of Rs. 7.0 Crores towards the development rights to these lands.

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

S.No	City	Location	Date of the Agreement	Parties	Amount paid as of Oct 15, 2008 (In Rupees Crores)	Amount payable (In Rupees Crores)	Economic ownership of our Subsidiary (Percentage)	Area (In acres)*
1.	Pune	Village Bavdhan, Taluka Mulshi	March 10, 2006	1. Vaishali Chetan Gaikwad, Vaidehi Dattaray Gaikwad, 2. Godrej Realty Private Limited and 3. Our Company	Nil	Nil	29.60	3.73
2.	Kolkata	Plot No. 5, Block DP, Sector V, Bidhanagar, Salt Lake	February 7, 2007	1. Infinity Infotech Parks Limited, 2. Godrej Waterside Properties Private Limited and 3. Our Company	5.00	Nil	31.11	1.74
3.	Kolkata	Plot No. 11, Block EP and GP, Sector – V, Bidhannagar, Salt Lake	March 30, 2009	1. Simoco Telecommunication (South Asia) Limited, 2. Ocean Freight Enterprises Private Limited, 3. Godrej Developers Private Limited and 4. Our Company	2.00	Nil	31.62	1.36
TOTAL					7.00	Nil		6.83

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

Godrej Realty Private Limited

Godrej Realty Private Limited has entered into a development agreement dated March 10, 2006 with Vaishali Chetan Gaikwad and Vaidehi Dattaray Gaikwad, as the owners of the land, where our Company is also a confirming party, for development of land admeasuring 12.60 acres located at Village Bavdhan, Taluka Mulshi, District Poona. The parties to the agreement have agreed that the gross sale proceeds received from the sale of the premises/units will be distributed between Godrej Realty Private Limited and the owners i.e. Vaishali Chetan Gaikwad and Vaidehi Dattaray Gaikwad in the ratio of 58:42. A public notice was published in the Times of India dated June 26, 2006 by the High Energy Materials Research Laboratory (“HEMRL”), situated at Sutarwadi, Pune informing the public regarding restrictions on the use and enjoyment of land lying in the vicinity of HEMRL. A major portion of the property at Bavdhan, Pune, which the Company had undertaken for development activity, is falling under the restricted area. For further details refer to “Notices received by our Subsidiaries – Godrej Realty Private Limited” in the section titled “Outstanding Litigation and Material Developments” on beginning on page 314 of this Prospectus.

Godrej Waterside Properties Private Limited

Godrej Waterside Properties Private Limited has entered into a development agreement dated February 7, 2007 with Infinity Infotech Parks Limited where our Company is also a confirming party. By a lease deed dated February 12, 1996 the Governor of West Bengal granted to West Bengal Electronics Industry Development Corporation Limited (Webel) a lease of land admeasuring 520.169 Cottahs for a period of 999 years. By a sub-lease dated December 11, 1997 between Webel and Globsyn Webel Limited, Webel granted a part of land admeasuring approximately 8.60 acres for a term of 330 years renewable for two similar terms. Thereafter, the parties to the sub-lease decided that Globsyn Webel Limited shall surrender an area of 3 acres out of the entire plot in favour of Webel and by a deed of surrender of lease dated December 19, 2001, Globsyn Webel Limited agreed to surrender an area of 3 acres out of the entire plot to Webel. Subsequently, in 2002 Globsyn Webel Limited changed its name to Infinity Infotech Parks Limited. By letter dated March 3, 2005, Webel has allowed Infinity Infotech Parks Limited to further sub-lease built up space in the buildings to be constructed by it on the said property either on short term or on long term basis keeping other terms and conditions of the aforesaid recited sub-lease unchanged. Our Company has nominated Godrej Waterside Properties Private Limited, which has been duly accepted by Infinity Infotech Parks Limited, to undertake the development of the project and construction of new buildings at the land mentioned above. The parties have agreed that the total constructed area of the completed project, together with amenities and facilities, will be distributed between Godrej Waterside Properties Private Limited and Infinity Infotech Parks Limited in the ratio of 61:39.

Godrej Developers Private Limited

Godrej Developers Private Limited has entered into a development agreement dated December 28, 2007 with Simoco Telecommunication (South Asia) Limited and Ocean Freight Enterprises Private Limited, where our Company is also a confirming party, for the purpose of developing an Information Technology Park on an area of land admeasuring 4.29 acres situated at Plot No. XI, Block EP and GP, Sector-V, Salt Lake City, Bidhanagar, Kolkata. Our Company has nominated Godrej Developers Private Limited, which has been duly accepted by Simoco Telecommunication (South Asia) Limited and Ocean Freight Enterprises Private Limited, to undertake the development of the project and construction of new buildings at the land mentioned above. The Parties have registered the Development Agreement on March 30, 2009. The parties to the agreement have agreed that upon completion of the project Simoco Telecommunication (South Asia) Limited and Ocean Freight Enterprises Private Limited together shall be entitled to 38% of the saleable area of the new constructed building and Godrej Developers Private Limited shall be entitled to the remaining 62% of the saleable area of the new constructed building. Simoco Telecommunication (South Asia) Limited and Ocean Freight Enterprises Private Limited shall further share their interest of 38% in the saleable area of the new constructed building in the ratio of 29:9.

A share purchase and subscription agreement (“Subscription Agreement”) was entered into on June 27, 2008 between our Company, Red Fort India Real Estate Babur (“Investor”) and Godrej Developers Private Limited wherein the Investor agreed to subscribe 16,730 Equity Shares of Godrej Developers Private Limited for a consideration of Rs. 21,50,11,618 at the rate of Rs. 12,851 per subscription share inclusive of premium. Further, our Company has also sold to the Investor 15,968 Equity Shares for a consideration of Rs. 20,52,18,500. The Investor holds 49% of the issued and paid up equity share capital of Godrej Developers Private Limited and our Company holds 51% of the issued and paid up capital of Godrej Developers Private Limited. For details refer to page 127 in the section titled “History and Corporate Structure - Share Purchase and Subscription Agreement between Red Fort India Real Estate Babur, our Company and Godrej Developers Private Limited” of this Prospectus.

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

We hold development rights aggregating to approximately 21.90 acres of land located in Vikhroli, Mumbai constituting 5.60% of the total Land Reserves. Of the said lands we plan to develop approximately 2.78 million sq. ft. constituting 3.37% of the total developable area.

S.No	City	Location	Date of the MoU	Parties	Amount paid as of October 31, 2009 (In Rupees Crores)	Amount payable (In Rupees Crores)	Economic ownership of our Subsidiary (Percentage)	Area (In acres)*
1.	Mumbai	Vikhroli	October 8, 2009	1. Godrej & Boyce Manufacturing Company Limited, 2. Godrej Industries Limited and 3. Our Company	Nil	Nil	60.00	21.90
TOTAL					Nil	Nil		21.90

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

Memorandum of Understanding with Godrej & Boyce Manufacturing Company Limited and Godrej Industries Limited

Our Company has entered into a memorandum of understanding dated October 8, 2009 with Godrej & Boyce Manufacturing Company Limited and Godrej Industries Limited. Godrej & Boyce Manufacturing Company Limited is the owner of approximately 36.5 acres of land located at Vikhroli, Mumbai and for the past several years Godrej Industries Limited has been in possession of the said 36.50 acres of land as a lessee. In terms of the memorandum of understanding the parties have agreed that Godrej & Boyce Manufacturing Company Limited shall grant a new lease to Godrej Industries Limited / our Company or to any other entity as may be formed by Godrej Industries Limited / our Company for a period of 99 years commencing from April 1, 2010 for development of such property. Godrej Industries Limited and our Company are required to form a limited liability partnership or any other suitable special purpose vehicle to receive the lease of the land under the memorandum of understanding from Godrej & Boyce Manufacturing Company Limited. Our Company shall be entitled to 60% of the profit arising from the development of the property and Godrej Industries Limited shall be entitled to 40% of the profit.

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

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

Source of Funds

For all the agreements described above, we have relied either on internal accruals or debt fundings.

Revocation Clauses

The agreements do not contain revocation clauses. Some agreements would however contain termination clauses which would be triggered if there was an event of default by either of the parties to the agreement.

The Company shall make continuous disclosures on stages of development on the material agreements that have been disclosed in the offer document to stock exchanges on continuous basis, for the purpose of public dissemination.

Other Agreements

Our Company has entered into memorandum of understanding with parties for initiating the process of identification of land for the purpose of acquisition in Titwala and another memorandum of understanding for redevelopment of a property located at Vikhroli, Mumbai.

Our Company had entered into an agreement dated October 21, 1999 with Sitaldas Estate Private Limited for the purpose of re-development of the property situated at the Walkeshwar Road, Mumbai. The Company has since terminated this agreement by entering into a deed of cancellation on September 26, 2009.

Our Company has entered into an agreement dated October 22, 2009 with Happy Highrises Limited, a subsidiary of the Company, and Panihati Municipality (the "Municipality"). Under the terms of this agreement, Happy Highrises Limited proposes to enter into a deed of transfer in favour of the Municipality to hand over land admeasuring approximately 4 bighas of the area of Project Prakriti, Kolkata in which the Municipality intends to set up a water treatment plant.

Description of Our Business

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



** Representational map; not to scale*

Completed Projects

The following table presents, as of October 31, 2009, the approximate Developable Area of our completed projects.

Type of Property	Approximate Developed Area* (in million sq. ft.)	Percentage of Developed Area as per Type of Property
Residential projects	3.88	76%
Commercial projects	1.25	24%
Total	5.13	100%

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

Ongoing Projects

The following table presents, as of October 31, 2009, the approximate Saleable Area of our Ongoing Projects:

Type of Property	Acreage*	Approximate Saleable Area (in million sq. ft.)	Percentage of Saleable Area as per Type of Property
Residential Projects	178.67	20.71	64%
Commercial Projects	88.62	11.40	36%
TOTAL	267.29	32.11	100%

* Area refers to the share of the Company only.

Forthcoming Projects

The following table presents, as of October 31, 2009 the approximate Saleable Area of our Forthcoming Projects:

Type	Acreage*	Approximate Saleable Area (in million sq ft)	Percentage of Saleable Area as per Type of Property
Residential Projects	66.59	6.75	37%
Commercial Projects	57.17	11.35	63%
TOTAL	123.75	18.09	100%

* Area refers to the share of the Company only.

Our Residential Projects

Our residential projects are primarily designed for middle income and high income customers. Our residential buildings are designed with a variety of amenities such as security systems, sports and recreational facilities, play areas and electricity back-up. As of October 31, 2009, we have completed 16 residential projects in and around Mumbai, Pune and Bengaluru with eight residential Ongoing Projects and eight residential Forthcoming Projects.

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

Name, Location	Date of Completion	Approximate Developable Area (in million sq. ft.)	Approximate Saleable Area (in million sq. ft.)
Godrej Park, Kalyan	1996	0.15	0.15
Godrej Eden Woods I and II, Thane	2000	0.40	0.17
Godrej Grenville Park, Ghatkopar, Mumbai	2001	0.06	0.03
Godrej Hill, Kalyan	2002	1.07	1.07
Godrej Sky Garden, Panvel, Mumbai	2002	0.31	0.31
Godrej Plaza, Panvel, Mumbai	2002	0.06	0.06
Godrej Indraprastha, Santacruz, Mumbai	2003	0.03	0.01
Godrej Bayview, Worli, Mumbai	2003	0.04	0.01
Godrej Sherwood, Shivaji Nagar, Wakdewadi, Pune	2003	0.09	0.02
Godrej La Vista, Shivaji Park, Mumbai	2006	0.01	0.01
Godrej Glenelg, Cuffe Parade, Mumbai	2007	0.05	0.01
Godrej Waldorf, Oshiwara, Mumbai	2007	0.04	0.02
Planet Godrej – Towers 1, 2, 3 and 4, Mahalaxmi, Mumbai	2008-09	0.66	0.20
Godrej Woodsman Estate – Towers 1, 2 and 7, Bengaluru	2009	0.76	0.60
Godrej Eden Woods – Phase III (Regency Park Tower B), Thane	2009	0.09	0.04
Godrej GVD-I, Kalyan	2009	0.06	0.04
Total		3.88	2.75

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

Name, Location	Type of Development	Expected Completion Date	Estimated Developable Area (in million sq. ft.)	% Project Sold	Estimated Saleable Area (in million sq. ft.)
Our residential Ongoing Projects					
Godrej GVD-II Kalyan	Apartment complex	2010	0.12	46	0.09
Planet Godrej - Tower 5 Mahalaxmi, Mumbai	High rise apartment complex	2010	0.17	90	0.05
Godrej Riverside, Kalyan	Apartment complex	2010	0.28	45	0.28
Godrej Eden Woods – Phase III (Pine/ RowHouse), Thane	Apartment complex	2010	0.06	36	0.03
Godrej Woodsman Estate – Towers 3,4,5,6, Bengaluru	Apartment complex	2010	1.02	97.7	0.81
Godrej Gold County, Bengaluru	Villas and apartments	2011	0.30	Not yet launched	0.15
Godrej Prakriti, Kolkata	Apartment complex	2014	2.87	Nil (launched end of October, 2009)	1.46
Godrej Garden City, Ahmedabad	Apartments/ Villas/ Row Houses	2017	26.28	Not yet launched	17.84
Total			31.10		20.71
Our residential Forthcoming Projects					
Chennai Project – I	Apartment complex	2014	3.23	Not yet launched	2.26
Godrej Avalon, Mangalore	Apartment complex	2012	0.56	Not yet launched	0.41
Tumkur Road- II, Bengaluru	Apartment complex	2012	1.09	Not yet launched	0.85
Kochi Project – I	Apartment complex	2014	2.52	Not yet launched	1.76
Vikhroli Project – I, Mumbai	Apartment complex	2014	0.60	Not yet launched	0.36
Pune Township	Apartments/ Villas/ Row Houses	2016	9.44	Not yet launched	0.94
Kalyan Township	Apartments/ Villas/ Row Houses	2014	0.10	Not yet launched	0.10
Godrej Woodsman Estate - Annex, Bengaluru	Apartments/ Row Houses	2011	0.10	Not yet launched	0.06
Total			17.64		6.75

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

Planet Godrej, Mahalaxmi, Mumbai:

This is a premium high-rise residential project located in Mahalaxmi, Mumbai. It comprises five towers, four of which have already been completed and one of which is ongoing. Planet Godrej has an estimated Developable Area of 0.82 million sq. ft. Upon completion, this project will have approximately 380 units of varying configurations across five towers of 48 storeys each with contemporary design and open spaces. The footprint, i.e., the ground coverage of the constructed portion of the project (towers 1 to 5), comprises approximately

4.2% of the total plot area, while the rest of the plot area has been used to provide landscaping and facilities. The size of the plot ensures that apart from the residential towers, there are spaces for development of a large podium, a modern gymnasium, gardens, a clubhouse, pools and game courts. This project was awarded the “Pinnacle Award, 2006” by ZEE Business for being the best up-coming real estate project in India, as well as “Project of the Year – Mumbai” for the year 2007 by the Accommodation Times. As of October 31, 2009, approximately 90% of the units in the ongoing part of the project have been sold. This project is expected to be completed in 2009.

Godrej Woodsman Estate, Bengaluru:

This is a residential apartment complex located approximately a kilometre away from Hebbal Flyover on Bellary Road, Bengaluru, near the new international airport, and has a Developable Area of approximately 1.78 million sq. ft. The project encompasses seven towers of 16 storeys each and comprises of two and three bedroom apartments. This project is strategically located with connectivity to the upcoming international airport. Modern facilities such as podium parking, clubhouse, a swimming pool, gardens and children’s play area form part of this project. As of October 31, 2009, approximately 97% of the units have been sold. This project is expected to be completed in 2009.

Godrej Prakriti, Kolkata:

This is a residential project proposed on B. T. Road in the Northern part of Kolkata, with a Developable Area of 3.29 million sq. ft (this includes a commercial portion of 0.42 million sq. ft.). The project is located approximately two kilometres from the Sodepur railway station and 15 kilometres from the international airport and is connected by an expressway. This project will be developed in phases and is expected to be completed by 2014.

Godrej Gold County, Bengaluru:

This is a residential project of villas and premium apartments located off Tumkur Road, Bengaluru, with a Developable Area of approximately 0.30 million sq. ft.

Godrej Garden City, Ahmedabad:

Godrej Garden City is a township development planned in Ahmedabad. It is located in Jagatpur village in the north-west region of Ahmedabad and is well within the AMC administrative limits. It is approximately 1.8 kms from SG highway, 14 kms from airport, 20 kms from railway station and 20 kms from Gandhinagar. This project is selected among 16 projects worldwide of the Climate Positive Development Program by Clinton Climate Initiative (CCI).

Our Commercial Projects

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

Name, Location	Type of Development	Date of Completion of the Project	Approximate Developable Area (in million sq. ft.)	Approximate Saleable Area (in million sq. ft.)
M.G.S.M., Bandra, Mumbai	Commercial office space	1997	0.03	0.01
Godrej Millennium, Koregaon Road, Pune	Commercial office space	2000	0.12	0.04
Godrej Eternia B and C, Shivaji Nagar, Wakdevadi, Pune	IT park, commercial office and retail space	2003	0.31	0.08

Name, Location	Type of Development	Date of Completion of the Project	Approximate Developable Area (in million sq. ft.)	Approximate Saleable Area (in million sq. ft.)
Godrej Avanti, Shankarsheth Road, Pune	Commercial office space	2003	0.02	0.005
Godrej Castlemaine, Bund Garden, Pune	IT park, commercial office and retail space	2004	0.29	0.16
Godrej Coliseum – Phase I and II, Sion, Mumbai	Commercial office and retail space	2007	0.22	0.06
Godrej Eternia – A, Pune	Commercial Office Space	2009	0.26	0.07
Total			1.25	0.43

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

Name, Location	Type of Development	Expected Completion Date	Estimated Developable Area (in million sq. ft.)	% Project Sold	Estimated Saleable Area (in million sq. ft.)
Ongoing Projects					
Godrej Waterside, Salt Lake City, Sector V, Kolkata	IT park	2010	2.16	19*	0.67
Godrej Coliseum – Phase III, Sion, Mumbai	Commercial office space	2010	0.17	23	0.04
Godrej Genesis, Salt Lake City, Sector V, Kolkata	IT park	2012	1.48	0	0.47
Godrej Genesis, Bavdhan, Pune	IT park	2012	0.50	Not yet launched	0.15
Godrej Garden City, Ahmeabad	Mixed commercial	2017	14.15	Not yet launched	9.54
Godrej Eternia, Chandigarh	Commercial office space, retail	2012	0.68	Not yet launched	0.31
Godrej Prakriti, Kolkata	Commercial office space, retail, hospital	2013	0.42	Not yet launched	0.21
Godrej Eternia – C (10 th Floor), Pune	Commercial office Space	2010	0.02	Not yet launched	0.004
Total			19.58		11.40
Forthcoming Projects					
Godrej Avalon, Mangalore	Commercial office space, hotel	2012	0.27	Not yet launched	0.20
Godrej Genesis, Hyderabad	IT	2014	9.60	Not yet launched	9.60
Vikhroli Project - I, Mumbai	Commercial office space, retail, hotel	2014	2.18	Not yet launched	1.31
Pune Township	Mixed commercial	2016	2.36	Not yet launched	0.24
Total			14.42		11.35

* Refers to only the Company's share of the area

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

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

This is an IT park located in Sector V of the Salt Lake area of Kolkata, an established IT hub, and is adjacent to a natural lake. This project will have a total Developable Area of approximately 2.16 million sq. ft. with two towers and parking facilities for approximately 1,400 cars. As of October 31, 2009, approximately 19% of the project has been sold. This project is expected to be completed by 2010.

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

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

Godrej Eternia

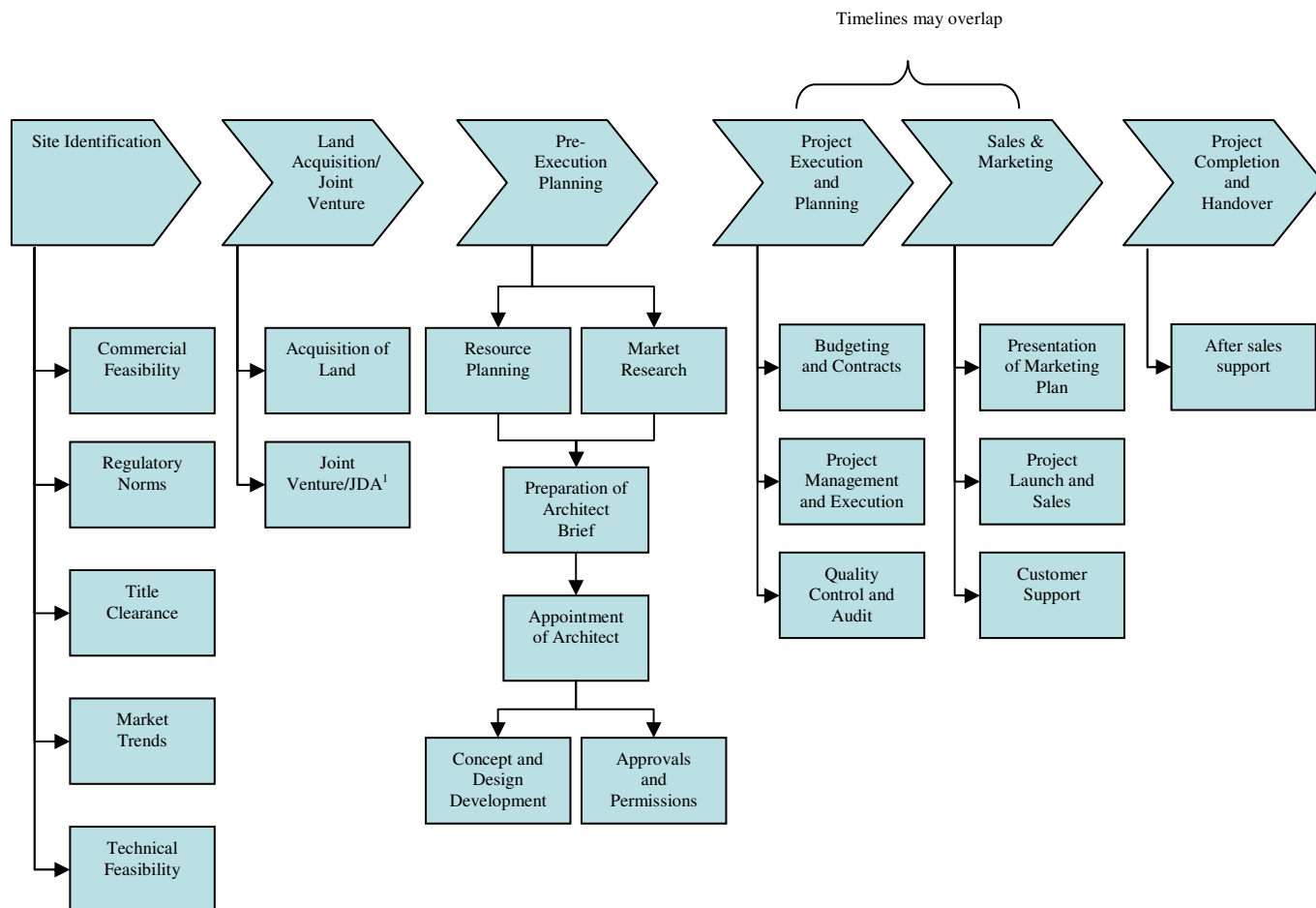
This commercial property is spread over 4.04 acres, offering office and retail spaces with a developable area of 0.68 million sq.ft. The project is strategically located in the industrial and business park – I, between Tricity of Chandigarh, Mohali and Panchkula. It is approx three km from Chandigarh railway station, three km from Chandigarh airport and four km from city centre. Godrej Eternia is designed by Patell Batliwala & Associates and HBRA, USA and features expansive and flexible office spaces.

Memoranda of Understanding with the Godrej Group Companies

We have entered into memoranda of understanding with certain Promoter Group Companies, Godrej Industries Limited, Godrej & Boyce Manufacturing Company Limited and Godrej Agrovet Limited for developing land owned by them in various regions across the country. Pursuant to the memorandum of understanding with Godrej & Boyce Manufacturing Company Limited, Godrej & Boyce Manufacturing Company Limited may appoint us as the developer of the land it owns. Pursuant to the memoranda of understanding with Godrej Industries Limited and Godrej Agrovet Limited, we are to be appointed as the developer to develop their land. This land does not form a part of our Land Reserves and the memoranda of understanding do not constitute definitive agreements for the development of this land. Such appointment entails developing any of the land the entities own in any part of India, providing advice on the regulations affecting a proposed project and on the feasibility and the design of the project. We may also be responsible for obtaining the required sanctions and permissions for the development of the project and for overseeing the quality, cost, schedule, aesthetics, pricing and marketing of the project.

Operation Methodology

The following chart illustrates our operation methodology:



¹ Joint Development Agreement

Land Acquisition and Development Agreements

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

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

Project Planning and Execution

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

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

Sales and Marketing

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

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

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

Completion and Hand-over of the Property

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

Our Competitors

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

Our Employees

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

As of October 31, 2009, we had 186 permanent employees. Our permanent employees include personnel engaged in our management, administration, planning, procurement, auditing, finance, business development, sales and marketing and legal functions. The function-wise break-down of our employees is as set forth below:

Function	No. of Employees
Managers	103
Officers	73
Staff	10
Total	186

Health, Safety and Environment

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

Intellectual property

Godrej Industries Limited has by way of a trademark license agreement dated May 27, 2008 granted to our Company a non-exclusive right to use the word “Godrej” and the “Godrej” logo. For details refer to our section titled “History and Corporate Structure” on page 117 of this Prospectus.

Insurance

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

Properties

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

REGULATIONS AND POLICIES

We are engaged in the business of real estate development and land development. Since our business involves the acquisition of land and land development rights, we are governed by a number of central and state legislation regulating substantive and procedural aspects of the acquisition of, and transfer of land. For the purposes of executing our projects, we may be required to obtain licenses and approvals depending upon the prevailing laws and regulations applicable in the relevant state and/or local governing bodies such as the Municipal Corporation of Greater Mumbai, the Fire Department, the Environmental Department, the City Survey Department, the Collector, MSD, etc. For details of such approvals please see “Government Approvals” on page 342 of this Prospectus.

Additionally, our projects require, at various stages, the sanction of the concerned authorities under the relevant central and state legislations and local bye-laws. We are subject to land acquisition, town planning and social security laws. The following is an overview of the important laws and regulations, which are relevant to our business as a real estate developer.

CENTRAL LAWS

Laws relating to land acquisition

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

Land Acquisition Act, 1984

Land holdings are subject to the Land Acquisition Act, 1984 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. Some states have their own land acquisition statutes and the Company has to abide by state legislations in those states in which it conducts its business.

Laws regulating transfer of property

Transfer of Property Act, 1882

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

Registration Act, 1908

The Registration Act, 1908 (“**Registration Act**”) has been enacted with the object of providing public notice of the execution of documents affecting transfer of interest in immoveable property. The purpose of the Registration Act is the conservation of evidence, assurances, title, and publication of documents and prevention of fraud. It details the formalities for registering an instrument. Section 17 of the Registration Act identifies documents for which registration is compulsory and includes, among other things, any non-testamentary

instrument which purports or operates to create, declare, assign, limit or extinguish, whether in present or in future, any right, title or interest, whether vested or contingent, in immovable property of the value of one hundred rupees or more, and a lease of immovable property for any term exceeding one year or reserving a yearly rent. A document will not affect the property comprised in it, nor be treated as evidence of any transaction affecting such property (except as evidence of a contract in a suit for specific performance or as evidence of part performance under the T.P. Act or as collateral), unless it has been registered. Evidence of the registration is normally available through an inspection of the relevant land records, which usually contains details of the registered property. Further, registration of a document does not guarantee title of land.

The Indian Stamp Act, 1899

Stamp duty needs to be paid on all documents specified under the Indian Stamp Act, 1899 (“**Stamp Act**”) and at the rates specified in the Schedules thereunder. The rate of stamp duty varies from state to state. The stamp duty is payable on instruments at the rates specified in Schedule I of the said Act. The applicable rates for stamp duty on these instruments, including those relating to conveyance, are prescribed by state legislation. Instruments chargeable to duty under the Stamp Act which are not duly stamped are incapable of being admitted in court as evidence of the transaction contained therein. The Stamp Act also provides for impounding of instruments which are not sufficiently stamped or not stamped at all. Easementary rights may be acquired or created by (a) express grant; or (b) a grant or reservation implied from a certain transfer of property; or (c) by prescription, on account of long use, for a use of twenty years without interruption. However, in accordance with the provisions of the Constitution of India, states are also empowered to prescribe or alter stamp duty payable on such documents executed within the states.

The Indian Easements Act, 1882

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

Special Economic Zones, Act, 2005

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

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

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

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

- a) Multi-product SEZs - 1,000 hectares or more;

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

Procedure for setting up an SEZ

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

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

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

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

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

The Special Economic Zone, Rules 2006 (the “SEZ Rules”)

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

The Developer and/or a Co-developer as the case may be is required to have at least 26 percent of the equity in

the entity proposing to create business, residential or recreational facilities in a SEZ in case such development is proposed to be carried out through a separate entity or special purpose vehicle being a company formed and registered under the Companies Act.

Laws relating to employment

The employment of construction workers is regulated by a wide variety of generally applicable labour laws, including the Contract Labour (Regulation and Abolition) Act, 1970, the Minimum Wages Act, 1948, the Payment of Bonus Act, 1965, the Building and Other Construction Workers (Regulation of Employment and Conditions of Service) Act, 1996, the Payment of Wages Act, 1936 and Workmen (Regulation of Employment and Condition of Service) Act, 1979.

Environmental Regulations

The three major statutes in India, which seek to regulate and protect the environment against pollution, related activities in India are the Water (Prevention and Control of Pollution) Act 1974, the Air (Prevention and Control of Pollution) Act, 1981 and the Environment Protection Act, 1986. The basic purpose of these statutes is to control, abate and prevent pollution. In order to achieve these objectives, PCB which are vested with diverse powers to deal with water and air pollution, have been set up in each state. The PCBs are responsible for setting the standards for maintenance of clean air and water, directing the installation of pollution control devices in industries and undertaking investigations to ensure that industries are functioning in compliance with the standards prescribed. These authorities also have the power of search, seizure, and investigation if the authorities are aware of or suspect pollution. In addition, the MoEF looks into Environment Impact Assessment ("EIA"). The MoEF receives proposals for expansion, modernization and setting up of projects and the impact which, such projects would have on the environment is assessed by the above mentioned MoEF before granting clearances for the proposed projects.

Under Sections 3(1) and 3(2)(v) of the EPA, the Coastal Regulation Zone Notification 1991 ("CRZ Notification"), was formulated, declaring Coastal Stretches as Coastal Regulation Zone ("CRZ") and regulating activities in the CRZ. Clauses 2(xi) and 2(xii) of the aforesaid notification impose prohibitions on construction activities in ecologically sensitive areas as specified in the CRZ Notification and any construction activity in the prescribed coastal area, except facilities for carrying treated effluents and waste water discharges into the sea, facilities for carrying sea water for cooling purposes, oil, gas and similar pipelines and facilities essential for activities permitted under the aforesaid notification. The Ministry of Environment and Forests on May 1, 2008, has published a draft of the Coastal Management Zone Notification, 2008 ("CMZ Notification") with a view to bring into force a new framework for managing and regulating activities in the coastal and marine areas and conserving and protecting the coastal resources, the coastal environment and the coastal population. The proposed CMZ Notification includes various amendments that have been made to the CRZ Notification from time to time. The said draft of the CMZ Notification will be considered by the Central Government and will supersede the existing CRZ Notification once it is brought into force.

STATE LAWS

Urban development 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. For instance, in certain states such as Haryana, for developing a residential colony, a license is required from the relevant local authority. Where projects are undertaken on lands which form part of the approved layout plans and/or fall within municipal limits of a town, generally the building plans of the projects have to be approved by the concerned municipal or developmental authority. Building plans are required to be approved for each building within the project area. Clearances with respect to other aspects of development such as fire, civil aviation and pollution control are required from appropriate authorities depending on the nature, size and height of the projects. The approvals granted by the

authorities generally prescribe a time limit for completion of the projects. These time limits are renewable upon payment of a prescribed fee. The regulations provide for obtaining a completion/occupancy certificate upon completion of the project.

Agricultural development laws

The acquisition of 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 exceeding 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. When local authorities declare certain agricultural areas as earmarked for townships, lands are acquired by different entities. After obtaining a conversion certificate from the appropriate authority with respect to a change in the use of the land from agricultural to non-agricultural for development into townships, commercial complexes etc., such ceilings are not applicable. While granting licenses for development of townships, the authorities generally levy development/ external development charges for provision of peripheral services. Such licenses require approvals of layout plans for development and building plans for construction activities. The licenses are transferable on permission of the appropriate authority. Similar to urban development laws, approvals of the layout plans and building plans, if applicable, need to be obtained.

In addition to the applicability of the above-mentioned legislations, we would additionally be subject to the applicable laws of the states where we intend to develop projects in the future and we would have to ensure compliance with the same.

State SEZ Policies

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

Laws specific to the state of Maharashtra

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

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

Maharashtra Rent Control Act, 1999

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

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

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

The Bombay Stamp Act, 1958

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

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

The Maharashtra Value Added Tax Act, 2002

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

Maharashtra Cooperative Societies Act, 1960

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

Bombay Municipal Corporation Act, 1888

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

The Maharashtra Housing and Area Development Act, 1976

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

The Maharashtra Apartment Ownership Act, 1970

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

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

The Building and other Construction Workers (Regulation of Employment and Conditions of Service) Act, 1996 has been enacted to regulate the employment and conditions of service of building and other construction

workers and to provide for their safety, health and welfare measures and for other matters connected therewith or incidental thereto.

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

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

The Development Control Regulations provides for an alternative to acquisition under the Land Acquisition Act by way of Transfer of Development Rights (TDRs). The permissible floor space index (FSI) defines the development rights of every parcel of land in Mumbai. If a particular parcel of land is designated for a public purpose, the land owner has an option of accepting monetary compensation under the Land Acquisition Act, 1894 or accept TDRs which can be sold in the market for use elsewhere in Mumbai. Regulation 34 the Development Control Regulations states that in certain circumstances, the development potential of a plot of land may be separated from the land itself and may be made available to the owner of the land in the form of TDRs. Regulation 33 (10) of the Development Regulations provides that additional floor space index of up to 2.5 will be allowed to owners/developers of land on which slums are located where such owners/developers are prepared to provide 225 square feet dwelling units free of cost to the slum dwellers. The remainder of total development rights can be used as TDR. In case of land designated for resettlement of slum dwellers affected by infrastructure projects, the land owner has an option of offering dwelling units to the project implementation agency free of cost and get the benefit of TDR equivalent to floor area calculated at FSI of 3.5. The Development Control Regulations also set out standards for building design and construction, provision of services like water supply, sewerage site drainage, access roads, elevators, fire fighting etc.

Development Control Regulations for Mumbai Metropolitan Region, 1999

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

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

In addition to the applicability of the above-mentioned legislations, we would additionally be subject to the applicable laws of the states where we intend to develop projects in the future and we would have to ensure compliance with the same.

Laws specific to the state of Tamil Nadu

Chennai Metropolitan Development Authority (“CMDA”)

The CMDA is a town planning authority constituted under the Tamil Nadu Town and Country Planning Act, 1971. It regulates all physical developments within Chennai Metropolitan Area on planned lines. For this purpose the CMDA has prepared a master plan which designates the land use permissible in every part of the Chennai metropolitan area. The Chennai metropolitan area consists of 306 villages in 10 panchayat unions, besides 28 town panchayats, 8 municipalities and 1 cantonment. The CMDA prepares development plans for spatial development of Chennai metropolitan area by with a public consultation process. The CMDA has laid down development control rules for the Chennai metropolitan area in relation to the construction of information technology parks, ordinary buildings, multi storey buildings, and other buildings being constructed for industrial purposes as well as for residential and industrial layouts. These rules prescribe the extent of plot size, plot frontage, floor space index, plot coverage, height and set back lines for all the varieties of buildings named above. The permissible measurements for different buildings are laid down in detail under these rules.

The Tamil Nadu Town and Country Planning Act, 1971

Owing to the rapid increase in the population, industrialization, migration and various other factors, putting pressure on land and infrastructure in the Chennai Metropolitan Planning Area leading to unauthorized developments which are not in conformity with the first Master Plan for Chennai Metropolitan Planning Area in force and the Development Control Rules, the state Government has constituted a committee headed by a retired Supreme Court Judge to look into all aspects of developments and to suggest necessary modifications to the Tamil Nadu Town and Country Planning Act, 1971. It is expected that the recommendations of the committee aforesaid may involve substantial amendments to the Tamil Nadu Town and Country Planning Act, 1971 and some with retrospective effect, and in particular to the provisions relating to construction and use of the premises. Chennai Metropolitan Development Authority has prepared the draft Master Plan II for Chennai Metropolitan Planning Area, with the perspective year 2026 keeping in view the emerging new dimensions in urban development, which has been published inviting public objections and suggestions and the finalization of the Master Plan-II for Chennai Metropolitan Planning Area, 2026 is likely to take some more time. It is expected that the Master Plan II for Chennai Metropolitan Planning Area 2026 may change the present position in urban development.

Tamil Nadu Land Re-forms (fixation of ceiling on land) Act, 1961("TNLRA")

The ownership and holding of land for agricultural purposes within the state of Tamil Nadu is regulated by the TNLRA. Under TNLRA, companies, individuals, other entities are permitted to hold land for agricultural purposes up to a maximum of 15 acres. A higher ceiling, ranging between 25 acres to 40 acres, is prescribed for educational institutions such as universities and schools.

An industrial/ commercial undertaking can make an application to hold agricultural lands in excess of the ceiling limits for industrial/ commercial activity. Permission from the state government could be issued with such conditions as it may deem fit and for a period as may be permitted.

The use of any land, other than agricultural land for development for commercial/ residential purpose is regulated by Tamil Nadu Town and Country Planning Act, 1971, being the parent act, and through provisions of the Tamil Nadu Urban Local Bodies Act 1998 and the Tamil Nadu Panchayats Act 1994 which are applied within the overall frame work of Tamil Nadu Town and Country Planning Act, 1971.

The Tamil Nadu Town and Country Planning Act, 1971("TNTCP")

The TNTCP supersedes TNLRA so far as use of land for development of commercial/ residential purposes is concerned.

Under TNTCP, the government of Tamil Nadu may notify any area within the state to be a regional planning area, local planning area or site for a new town and appoint a planning authority for these notified areas. For example, Chennai city and sub-urban areas such as Tiruvallur, Chengalpattu, Sriperumbadur, Ponneri and Poonamallee Taluk in Kancheepuram District, the Thiruvettriur, Alandur, Pallavaram, Tambaram, Ambattur, Avadi, Madavaram, Kathivakkam municipalities and 28 town panchayats and a large number of villages within

these areas have been notified as the Chennai 14 Metropolitan Area (“CMA”) and the CMDA is the appointed planning authority for the CMA.

In respect to the notified planning areas, the regional planning authorities, local planning authorities and the new town development authority prepare a detailed development plan/ master plan for the development of the planning area. The respective development plan/ master plan specifies the usage of land within the local planning area which inter-alia 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 provisions for detailed development of specific areas for housing, shopping, industries, the height, number of storey and size of building, etc, may also be included in these plans.

The local planning authority in its detailed development plan may also separately provide for acquisition of any land or other immovable property within the detailed development plan, disposal by sale, lease, etc, of land acquired or owned by local planning authority, the allotment or reservation of land for specified purposes, etc. The plans may also provide that the land reserved or designated in a regional plan, master plan, detailed development plan or a new town development plan may be purchased or acquired by the government under the provision of the Land Acquisition Act, 1984.

Any development on a land comprised within a planning area can be undertaken only after obtaining the permission from the respective planning authority.

The land within the regional planning area, local planning area or a new town development shall be used only as per the respective development plan unless otherwise specifically approved by the appropriate planning authority and in accordance with conditions as may be specified by such authority.

In case there is no development plan drawn up by the concerned development planning authority or where there are no development planning authorities, the local authority namely, the municipality or the panchayat or the special officer would be responsible for granting permission with regard to use of land including the conversion thereof.

Laws specific to the State of Gujarat

The Bombay Provisional Municipal Corporations Act, 1949 (“BPMC Act”)

The BPMC Act was extended to the State of Gujarat in 1973. It provides for duties and powers of municipal authorities and officers including powers of corporation as to acquisition of property. The BPMC Act further provides that a notice has to be given to the Commissioner of intention to erect building. The act further provides for power of entry, inspection and eviction of the Commissioner and his authority to levy taxes.

The Gujarat Housing Board Act, 1961 (“GHB Act”)

The GHB Act provides for constitution of the Gujarat Housing Board for the purpose of undertaking activities related to housing. The jurisdiction of the Gujarat Housing Board extends to all urban areas in the state which includes the municipal councils, municipal corporations, and town panchayats. The GHB Act provides for objectives of the Gujarat Housing Board that include constructing of houses, shopping complexes, commercial complexes, shops, and multi storied buildings.

The Gujarat Municipalities Act, 1963 (“GM Act”)

The GM Act provides that the State Government is empowered to constitute municipalities and change the limit of the municipalities. It also provides for powers and functions of the director of municipalities, which include power to lay down procedure preliminary to imposing tax. According to the GM Act, the collector is empowered to require a person intending to construct, alter externally or add to any building or to construct or reconstruct any projecting portion of a building to furnish to the chief officer a plan certified by person recognized by the municipality.

The Gujarat Town Planning and Urban Development Act, 1976 (“GTPUD Act”)

The Gujarat Town Planning and Urban Development Act was enacted to consolidate and amend the law relating to the making and execution of development plans and town planning schemes in the state of Gujarat. It provides for constitution of area development authority and urban development authorities. The GTPUD Act also provides for appointment of a town planning officer and levy, assessment and recovery of development charges.

The Gujarat Value Added Tax Act, 2003

The Gujarat Value Added Tax Act prescribes certain requirements in relation to the payment of value added tax in the state of Gujarat.

Laws relating to the state of Karnataka

Karnataka Land Reforms Act, 1961(“KLRA”)

The ownership and holding of land for agricultural purposes within the state of Karnataka is regulated by the KLRA. The KLRA also contains detailed provisions governing tenancies on such land. Under the provisions of KLRA, no person other than a person cultivating the land personally shall be entitled to hold agricultural land. Further, holding of agricultural land by companies, etc is allowable only if the same has been specifically approved under the provisions of KLRA. Further, under KLRA, a person having an assured annual income of Rs. 200,000 or more from sources other than agricultural land, shall not be entitled to acquire further agricultural land. Under KLRA, ceiling on land holdings are prescribed depending upon the classification of the land as irrigated, semi-irrigated, dry, etc. The KLRA restricts the maximum extent of agricultural land that could be owned or possessed by any person to 54 acres. The extent of restriction of land holding reduces depending on the fertility of the land, for example, for Grade-A irrigated lands, the ceiling would be 13 acres.

The KLRA exempts certain lands and certain persons from the applicability of some of the provisions of the Act. For example, plantation lands are exempted from the applicability of inter-alia, provisions governing land ceilings, and consequently companies can own plantation lands in the state of Karnataka, without any ceiling.

In addition to the restrictions prescribed under the KLRA, certain specific regulations, such as the Jamma Tenure Land Holdings in the district of Coorg, are applicable to certain parts of the state, which places restrictions on the ability to buy or sell land in such parts.

Karnataka Town and Country Planning Act, 1961(“KTCPA”)

The KTCPA regulates the planned growth of land use and provides for the development and execution of town planning schemes in the state. Under the KTCPA, the state government is empowered to notify an area as a local planning area and also appoint a planning authority for such an area.

For example, the Bangalore Metropolitan Region Development Authority (“BMRDA”) is the planning authority for the Bangalore Metropolitan Region (“BMR”), comprising Bangalore urban district, Bangalore rural district and Malur Taluk of Kolar district. Similarly, the Bangalore International Airport Area Planning Authority (“BIAAPA”) is the planning authority for the area of the proposed new airport at Devanahalli, Bangalore and its environs.

The planning authority for each area is required to prepare a Comprehensive Development Plan (“CDP”) or an Outline Development Plan (“ODP”) indicating the manner in which the development and improvement of the entire planning area is to be carried out and regulated. The CDP/ ODP provide zoning of land use for residential, commercial, industrial, agricultural, recreational, educational and other purposes. The CDP or ODP also provides for the reservation of certain type of land for the purposes of the central and state governments, planning authority or public utility undertakings and also for the designation of certain areas as areas of special control, which are subject to certain regulations on building line, height of the building, FAR, architectural

features, etc. Every land use, change in land use and development in the area covered by the CDP or ODP, would need to be in accordance with the provisions of the KTCPA and the CDP or ODP. These developments can be carried out only with a written permission of the planning authority, which is contained in a commencement certificate issued in the form prescribed under the KTCPA.

Processes for Obtaining Approval for Conversion of Land in Karnataka

Conversion of land from agricultural to commercial purposes:

Land conversion in the state of Karnataka is governed by the provisions of the Karnataka Land Revenue Act, 1964 (“LRA”). Under the provisions of the LRA, any person who wishes to divert agricultural land for any other purpose is required to make an application through the tahsildar to the jurisdictional deputy commissioner, or such authority to whom powers in this regard may be delegated. All areas within the jurisdiction of a planning authority will be subject to zoning regulations pertaining to usage of land for residential, commercial and industrial purposes. The deputy commissioner would consider the application from the perspective whether the diversion is likely in accordance with law and in the interest of general public. The standard conditions for the approval of conversion of agricultural land for residential/ commercial purposes inter alia require that the construction on converted land be carried out according to the plan sanctioned by the appropriate authorities that the land should be used only for the purpose for which it is converted; the specifications with regard to boundary margins should be complied with; the applications for electricity and water supply should be made to the relevant authorities in the prescribed application or form; and if any construction on the land is carried out for any purpose other than for which conversion has been sanctioned, the relevant authority has the power to demolish the structure without notice to the owners.

The process of granting or rejecting conversion is required to be completed within 45 days of receipt of the application. If the appropriate authority requires any further information in respect of the property, the applicant will be intimated within a week of receipt of the application. If conversion is to be granted, then the applicant has to be issued a notice to pay the ‘conversion fine’ (fee payable on conversion of land) within 15 days of the notice. After the payment of the conversion fine, the deputy commissioner or such other designated authority will issue the conversion order in the prescribed form.

The LRA also states that in the case where the deputy commissioner fails to inform the applicant of the decision on the application for conversion within a period of 4 months from the date of receipt of the application, the permission applied for shall be deemed to have been granted. Granting of permission for conversion of agricultural land to non-agricultural land does not automatically entitle the occupant to utilise the land for non-agricultural purposes without obtaining sanctions or permissions from local authorities such as municipal corporations, town panchayat and pollution control board, etc. The occupant should apply to the local authorities subsequent to the conversion order and obtain all requisite approvals including plan sanctions, pollution clearances, etc, before commencing any construction activities on the land.

Conversion of land from non-commercial use to commercial use:

Under the KTCPA, the planning authority would prepare the ODP and after receiving comments or objections from the public, the government of Karnataka would finalise the development plan. The finalised development plan is termed as the CDP. The KTCPA permits the planning authority to allow the change of land use with the prior approval of the state government. If the planning authority fails to communicate its decision of granting or rejecting the application for change of land use within a period of 3 months from the date of application, permission for change of land use shall be deemed to have been granted, provided the proposed land use is in accordance with the CDP.

The documents to be submitted for any change in land use should include the plan of the land in respect of which the permission is requested, title documents, katha certificate, tax paid receipt and sanction plan of construction, if any, and all other forms and documents for change in land use as prescribed by the planning authority concerned.

REGULATIONS REGARDING FOREIGN INVESTMENT

Foreign Investment in the Real Estate Sector

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

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

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

Foreign investment in the real estate sector is regulated by the relevant provisions of the FDI Manual dated November 2005 (“**FDI Manual**”), FEMA Regulations, and the relevant Press Notes issued by the Secretariat for Industrial Assistance, GoI.

FDI Manual

Item No. 9 of Annexure II to the said FDI Manual outlines the sectoral caps in relation to ‘Housing and Real Estate’. The said annexure, specifies the following as activities under the automatic route in which Investment are permitted only by NRI’s:

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

FEMA Regulations

The FEMA Regulations, state that the investment cap in the real estate on the activities in the ‘Housing and Real Estate’ is permit investment to the extent of 100% only by NRIs in the following specified areas:

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

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

Press Note 2 of 2005

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

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

- a. Minimum area to be developed under each project is as under
 1. In case of development of serviced housing plots, a minimum land area of 10 hectares.
 2. In case of construction-development projects, a minimum built up area of 50,000 square meters
 3. In case of a combination project, anyone of the above two conditions would suffice
- b. Minimum capitalization of US\$ 10 million for wholly owned subsidiaries and US\$ 5 million for joint ventures with Indian partners. The funds are to be brought in within six months of commencement of business of the company.
- c. Original investment is not to be repatriated before a period of three years from completion of minimum capitalization. The investor is permitted to exit earlier with prior approval of the Government through the FIPB.
- d. At least 50% of the project must be developed within a period of five years from the date of obtaining all statutory clearances. The investor would not be permitted to sell undeveloped plots. “Underdeveloped plots” will mean where roads, water supply, street lighting, drainage, sewerage and other conveniences as applicable under prescribed regulations have not been made available.
- e. The State Government/ Municipal Local Body concerned, which approves the building/development plans, would monitor compliance of the above conditions by the developer.

Therefore applicable law only permits investment by an NRI under the automatic route in the ‘Housing and Real Estate’ sector upto 100% in relation to townships, housing, built-up infrastructure and construction-development projects (which would include, but not be restricted to, housing, commercial premises, hotels, resorts, hospitals, educational institutions, recreational facilities, city and regional level infrastructure) and additionally permits upto 100 % FDI in the ‘Housing and Real Estate’ subject to compliance with the terms provided in press note 2 of 2005.

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

Note:

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

HISTORY AND CORPORATE STRUCTURE

Our Company was originally incorporated as Sea Breeze Constructions and Investments Private Limited on February 8, 1985 by Mr. Mohan Khubchand Thakur and Mrs. Desiree Mohan Thakur. In the year 1987, we became a part of the Godrej group and in the year 1989 we became a subsidiary of Godrej Industries Limited (erstwhile Godrej Soaps Limited). For details of the change in our name, please refer to the section titled “General Information” beginning on page 16 of this Prospectus.

We are a real estate development company based in Mumbai, Maharashtra and have a presence in 10 cities in India. Currently, our business focuses on residential, commercial and township developments. We are a fully integrated real estate development company undertaking our projects through our in-house team of professionals and by partnering with companies with domestic and international operations.

We signed up for our first project, “Godrej Edenwoods”, in Thane, Mumbai in May 1991 and have since completed and delivered 23 projects aggregating approximately 5.13 million square feet in Mumbai, Pune and Bangalore. We initially concentrated our real estate business in the Mumbai Metropolitan region and later expanded our operations to include other cities such as Pune, Bangalore, Kolkata and Hyderabad. Recently, we have diversified into Ahmedabad, Mangalore, Chandigarh, Chennai and Kochi. Our current portfolio of 391.04 acres includes projects in 10 cities across India.

There have been no injunctions or restraining order against the Company.

For further details regarding the Company see the section “Our Business”, “Our Promoters and Promoter Group” and “Group Companies” beginning on page 77, 155 and 165 of this Prospectus.

Key Events and Milestones

Year	Key Events, Milestones and Achievements
1989	Godrej Industries Limited (erstwhile Godrej Soaps Limited) forays into the real estate business
1991	Signed MoU for our first project in Thane – Godrej Edenwoods
1994	Completion of first residential building, Cypress (part of Godrej Edenwoods in Thane)
1996	Awarded the ISO 9002: 1994 certification by Bureau Veritas Quality International
1997	Completion of first commercial project at Bandra, Mumbai - MGSM
1999	Launch of first project in Pune – Godrej Millennium
2004	Godrej Woodsman Estate launched in Bangalore
2005	Executed agreement for the first project in Kolkata - Godrej Waterside
2006	Tied up with Rallis India Limited for first project in Hyderabad
2006	Planet Godrej received the ZEE Business Pinnacle Award for Best upcoming project
2007	Acquired 26.7 acres of land at B. T. Road, Kolkata Ranked among the top 10 construction companies in India by Construction World
2008	Expansion into several cities across India including Ahmedabad, Chandigarh, Kochi and Chennai.
2008	Ranked one of India’s Top 10 Builders by Construction World
2009	Implemented SAP across all projects
2009	Received award for Corporate Governance of the Year, 2008 from Accommodation Times
2009	Ranked 1 st in the Construction and Real Estate category in India’s Best Companies to Work For 2009 awarded by The Great Place to Work® Institute, India, in partnership with The Economic Times.
2009	Tied up with the Clinton Climate Initiative for our Godrej Garden City project in Ahmedabad.

Year	Key Events, Milestones and Achievements
2009	Executed memorandum of understanding with Godrej Industries Limited to develop one of our Forthcoming Projects in Vikhroli, Mumbai
2009	Ranked one of India's Top 10 Builders by the Construction World Architect and Builder Awards, 2009

Our Main Objects

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

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

Amendments to the Memorandum of Association

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

Date	Particulars
July 2, 1990	The name of the Company was changed from Sea Breeze Constructions and Investments Private Limited to Godrej Properties and Investments Private Limited. A fresh certificate of incorporation subsequent to the name change was granted on July 16, 1990 by the RoC.
February 28, 1991	In the year 1991, the status of the Company was changed to a deemed public company by deletion of the word “private” from the name of the Company
December 2, 1992	Authorised capital changed from 5,000 Equity Shares of Rs. 100 each to 50,000 Equity Shares of Rs. 10 each aggregating to Rs. 5,00,000
January 10, 1994	The authorised share capital of the Company was increased from Rs. 5,00,000 to Rs. 2,50,00,000
February 6, 1995	The authorised share capital of the Company was increased from Rs. 2,50,00,000 to Rs. 10,00,00,000
August 1, 2001	The status of the Company was changed from that of a deemed public limited company under Section 43A of the Companies Act to a public limited company under section 44 of the Companies Act by a special resolution of the members passed at the extraordinary general meeting held on August 1, 2001. The approval from the RoC was received on September 18, 2001
November 23, 2004	<p>a) Clause III (A) 2 of the memorandum of association was deleted from the main objects of the Company</p> <p>b) Sub - clauses 3 to 47 under clause III of the memorandum of association were renumbered as sub – clauses 2 to 46</p> <p>c) The object clause of the Company was amended pursuant to Section 18(1) of the Companies Act 1956 by inserting clauses III (C) 47, 48 and 49. The RoC certificate was received on December 10, 2004</p>

Date	Particulars
November 23, 2004	The name of the Company was changed from Godrej Properties and Investments Limited to Godrej Properties Limited. The approval was received from the RoC for the change of name on December 10, 2004
November 16, 2007	The authorised share capital of the Company was increased from Rs. 10,00,00,000 to Rs. 1,00,00,00,000

Changes in the Registered Office

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

Material Agreements

Our Company has not entered into any shareholders agreements with any specific shareholders and thus no rights are provided to any specific shareholders which is inconsistent with the listing agreement in general or clause 49 of the listing agreement in particular.

Further, all material agreements provided in the section ‘History and Corporate Matter’ are in relation to the certain subsidiaries of the Company. The subsidiaries of the Company are unlisted entities and in view thereof the provisions of the material agreements are not in variance with the provisions of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997.

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

A share subscription agreement (“Subscription Agreement”) was entered into on March 16, 2006 between our Company, HDFC Ventures Trustee Company Limited (“Investor”) and Godrej Realty Private Limited (“Godrej Realty”) wherein our Company agreed to subscribe to 500,000 Equity Shares of Godrej Realty (“GPL Subscription Shares”) for an aggregate consideration of Rs. 0.50 Crores (“GPL Subscription Amount”) at the rate of Rs. 10 per Equity Share (“GPL Subscription”). Further, the Investor agreed to subscribe to 490,000 Equity Shares (“Investor Subscription Shares”) for an aggregate consideration of Rs. 0.49 Crores (“Investor Subscription Amount”) at the rate of Rs. 10 per equity share (“Investor Subscription”).

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

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

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

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

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

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

Party	Number of Shares	Percentage Shareholding
Godrej Properties Limited (“Our Company”)	5,10,000	51
HDFC Ventures Trustee Company Limited (“Investor”)	4,90,000	49
Total	10,00,000	100

The SHA provides that Godrej Realty will not issue any shares or other securities of the company without the approval of the shareholders by unanimous vote, as long as the Parties hold shares in the proportion set out above. Further, after the occurrence of the second Completion Date, our Company and Investor shall provide additional funding for the business of the Company by subscription to optionally convertible debentures issued by Godrej Realty from time to time. The aggregate amount of debentures to be subscribed to shall be as determined by the board of Godrej Realty and shall be in accordance with a determined Business Plan. Such debenture subscription shall be made in terms of one or more subscription agreements or trust deeds as agreed between Godrej Realty, Investor and our Company. The Investor and our Company shall provide equal amounts of capital through subscription to the debentures. The terms and conditions of the debentures shall be as agreed between the Parties. The cost in relation to the issue of debentures shall be borne by Godrej Realty. No shareholder shall be required to contribute additional funds, extend credit or otherwise make any financial accommodations in relation to Godrej Realty without the express written consent of that shareholder.

Our Company and the Investor shall, till such time that the equity shareholding percentage of the Parties in Godrej Realty remains as per the equity shareholding percentages specified in the table above, appoint/nominate two and one directors respectively. In addition, each shareholder shall be entitled to appoint/nominate one director, each of whom shall be an individual who is not a director, an employee or an officer of the Investor, our Company or their respective Affiliates (“the independent directors”). A shareholder shall be entitled to require the removal or substitution of any director so appointed/nominated by it.

The board of Godrej Realty may appoint one director as the Managing Director and may remove the Managing Director or Manager, as the case may be, from office. The first Managing Director/Manager will be the nominee of our Company. Upon increase in the shareholding percentage of the Investor above the level specified, the Managing Director/Manager shall be a Director appointed/nominated by the Investor. Each Director shall be entitled to cast one vote at any board meeting.

The Chairman of the board of Godrej Realty shall be a Director appointed/nominated by our Company. Upon increase in shareholding of Investor above the specified percentage, the Chairman shall be appointed/nominated by the Investor. The initial Chairman will be a representative of our Company. The Chairman will not have a second and casting vote.

The Parties have mutually agreed, with regard to transfer of shares, that till the expiry of three and a half years from the Completion date, the Investor shall not have any right to transfer or sell its shares in the

Godrej Realty to another real estate developer (being the competitor to our Company) without the prior written consent of our Company, which shall not be unreasonably withheld. Pursuant to the transfer provisions contained in the SHA, Investor shall be entitled to transfer all (but not less than all) the shares held by them to any person subject to the “right of first refusal” to our Company. Our Company shall be likewise, entitled to transfer all (but not less than all) the shares held by them to any person subject to the “right of first refusal” granted to the Investor and the Investor’s “tag along right”. The “all or none” principle set out above will not apply to a transfer of shares by the Investor pursuant to its “tag along right” or its “drag along rights”. A shareholder can transfer all or any of its shares to an affiliate, provided such affiliate executes a deed of adherence agreeing to be fully bound by the terms of the SHA. However, no shares will be transferred or transmitted to or otherwise registered in the name of an individual. The share certificates must be stamped/imprinted with a legend stating the applicability of the transfer restrictions contained in the SHA.

The SHA also provides for a “right of first refusal” whereby if a shareholder wishes to sell or transfer its shares to a third party (“Transferee”), such shareholder (“the Offeror”), shall first offer such shares (“Offered Shares”) to the other shareholder (“the Offeree”) by a written notice (“Transfer Notice”). The offeree shall have 30 days from the date of receipt of the Transfer Notice (“Acceptance Notice”) to accept the offer with regard to all (and not some) of the Offered Shares by giving written notice to the Offeror, in which case the Offeree shall subscribe to the Offered Shares at the price stated in the Transfer Notice. Such subscription and sale shall be completed within a period of 60 days of the date of receipt by the Offeror of the Acceptance Notice.

Upon receipt of a Transfer Notice, the Investor may, instead of exercising its right of first refusal, exercise a “tag along right”, whereby the Investor shall have the right to require the Offeror to ensure that the Transferee also subscribes to a proportionate number of the Investor’s share (in proportion to the number of Shares then held by them) together with Offeror’s shares. Such rights shall be exercised by the Investor by issuing a written notice (“the Tag Along Notice”) within the Acceptance Period. The Notice shall also specify the number of Investor’s Shares to be subscribed to by the Transferee. On receipt of the Tag Along Notice, the Offeror must ensure that the Transferee also acquires the Investor’s shares specified in the Response Notice for the same consideration and upon the same conditions of sale as applicable to the Offered Share. Such acquisition shall be completed within 60 days of the receipt of the Tag Along Notice. If Offeree fails to issue an acceptance notice during the acceptance period, the Offeror shall be free thereafter to dispose of all of the Offered Shares to the Transferee on the same conditions of sale within a period of 60 days from the expiry of the acceptance period. Investor may, at its discretion, elect to exercise its “right of first refusal” or its “tag along right”.

On the expiry of three and a half years from the Completion Date, and during a period of one year after such expiry, the Investor shall have the right to sell to our Company (and on exercise of such right, our Company shall have the obligation to buy) all of the Investor’s shares (the “Put Option”) at the Put/Call Notice. At the delivery of the Put Notice, our Company shall subscribe to all and not less than all of the Investor’s shares (“Put Shares”) and the Investor shall sell such shares at the Put/Call Price. The subscription and sale of the Put Shares shall be completed within 60 days of the receipt of the Put Notice by our Company. The SHA further provides that if our Company commits any event of default or such default occurs in relation to our Company, the Investor shall have the right to exercise the Put Option at the Put Price. If the Investor commits any event of default or such default occurs in relation to the Investor, our Company shall have the right to acquire from the Investor (and on exercise of such right, the Investor shall have the obligation to sell) all of the Investor’s shares (“the Call Option”) at Call Price.

If however, the Put Option is not exercised within the one year period, the Investor shall have “drag along rights”, wherein the Investor shall have the right to call upon our Company and our Company shall be under an obligation to sell their entire shareholding in the Company to a third party identified by the Investor, at the same price at which the Investor seeks to sell its shares to such third party (“the Drag Along Right”). This right cannot be exercised by the Investor for a transfer of shares to its Affiliates. In the event of any default by our Company in completion of the Put Option or the Call Option as the case may be, the Investor shall have the right to exercise the Drag Along Right.

The SHA further provides that the Agreement will terminate upon a party ceasing to be a shareholder in the Company, by mutual agreement of all shareholders, if the Company is wound up by resolution of shareholders or an order of a Court or if the Company is listed on a securities exchange (in India or otherwise).

3. *Debenture Subscription Agreement between HDFC Ventures Trustee Company Limited, Godrej Properties Limited and Godrej Realty Private Limited*

A debenture subscription agreement (“Debenture Agreement”) was entered on March 16, 2006 between our Company, HDFC Ventures Trustee Company Limited (“Investor”) and Godrej Realty Private Limited (“Godrej Realty”), wherein our Company agreed to subscribe to secured redeemable optionally convertible debentures of Rs. 10 each of an aggregate nominal value of Rs. 14.79 Crores, of Godrej Realty, providing a sum of Rs. 5.87 Crores as advance. Further, the Investors agreed to subscribe to secured redeemable optionally convertible debentures of Rs. 10 each of an aggregate nominal value of Rs. 14.21 Crores, providing a sum of Rs. 5.64 Crores as advance. The Company and Investor shall further provide a sum of Rs. 8.93 Crores and Rs. 8.58 Crores respectively. Godrej Realty has created a security on its immovable property at Kadi, Gujarat for securing the Debentures and has appointed IL&FS Trust Company Limited to be its Trustee to the said issue. Further, our Company, the Investor and Godrej Realty have entered into an amendment agreement dated June 10, 2009 in terms of which the parties have agreed to amend the terms of the debenture subscription agreement dated March 16, 2006 such that Godrej Waterside shall pay an interest of 1% per annum. to the debenture holders with effect from January 1, 2009 on the principal amount of the debentures instead of 10% per annum. as agreed upon earlier. The parties have also agreed that the moratorium period for payment of the accrued interest to the debenture holders shall be extended upto March 31, 2011.

4. *Share Subscription Agreement between our Company, HDFC Ventures Trustee Company Limited and Godrej Waterside Properties Private Limited*

A share subscription agreement (“Subscription Agreement”) was entered into on July 3, 2007 between our Company, HDFC Ventures Trustee Company Limited (“Investor”) and Godrej Waterside Properties Private Limited (“Godrej Waterside”) wherein our Company agreed to subscribe to 460,000 Equity Shares of Godrej Waterside (“GPL Subscription Shares”) for an aggregate consideration of Rs. 0.46 Crores (“GPL Subscription Amount”) at the rate of Rs. 10 per Equity Share (“GPL Subscription”). Further, the Investor agreed to subscribe to 490,000 Equity Shares (“Investor Subscription Shares”) for an aggregate consideration of Rs. 0.49 Crores (“Investor Subscription Amount”) at the rate of Rs. 10 per equity share (“Investor Subscription”).

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

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

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

5. *Shareholders Agreement between our Company and HDFC Ventures Trustee Company Limited in respect of Godrej Waterside Properties Private Limited*

A Shareholders Agreement (“SHA”) was entered into on July 3, 2007 between our Company and HDFC Ventures Trustee Company Limited in order to regulate their respective relationship in relation to the

ownership and management of Godrej Waterside Properties Private Limited (“Godrej Waterside”) and the terms for the governance, management and control of Godrej Waterside.

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

Party	Number of Shares	Percentage Shareholding
Godrej Properties Limited (“Our Company”)	5,10,000	51
HDFC Ventures Trustee Company Limited (“Investor”)	4,90,000	49
Total	10,00,000	100

The SHA provides that Godrej Waterside will not issue any shares or other securities of the company without the approval of the shareholders by unanimous vote, as long as the Parties hold shares in the proportion set out above. Further, after the occurrence of the second Completion Date, our Company and Investor shall provide additional funding for the business of the Company by subscription to optionally convertible debentures issued by Godrej Waterside from time to time. The aggregate amount of debentures to be subscribed to shall be as determined by the Board and shall be in accordance with a determined Business Plan. Such debenture subscription shall be made in terms of one or more subscription agreements or trust deeds as agreed between Godrej Waterside, Investor and our Company. The Investor and our Company shall provide equal amounts of capital through subscription to the debentures. The terms and conditions of the debentures shall be as agreed between the Parties. The cost in relation to the issue of debentures shall be borne by Godrej Waterside. No shareholder shall be required to contribute additional funds, extend credit or otherwise made any financial accommodations in relation to Godrej Waterside without the express written consent of that shareholder.

Our Company and Investor shall till such time that the equity shareholding percentage of the Parties in Godrej Waterside remains as per the equity shareholding percentages specified in the table above, appoint/nominate two and one directors respectively. In addition, each shareholder shall be entitled to appoint/nominate one director, each of whom shall be an individual who is not a director, an employee or an officer of the Investor, our Company or their respective Affiliates (“the independent directors”). A shareholder shall be entitled to require the removal or substitution of any director so appointed/nominated by it.

The Board may appoint one director as the Managing Director or manager and may remove the Managing Director or Manager, as the case may be, from office. The first Managing Director/Manager will be the nominee of our Company. Upon increase in the shareholding percentage of the Investor above the level specified, the Managing Director/Manager shall be a Director appointed/nominated by the Investor. Each Director shall be entitled to cast one vote at any Board meeting.

The Chairman of the Board shall be a Director appointed/nominated by our Company. Upon increase in shareholding of Investor above the specified percentage, the Chairman shall be a Director appointed/nominated by the Investor. The initial Chairman will be a representative of our Company. The Chairman will not have a second and casting vote.

The Parties have mutually agreed, with regard to transfer of shares, that till the expiry of three and a half years from the Completion date, the Investor shall not have any right to transfer or sell its shares in Godrej Waterside to another real estate developer (being the competitor to our Company) without the prior written consent of our Company, which shall not be unreasonably withheld. Pursuant to the transfer provisions contained in the SHA, Investor shall be entitled to transfer all (but not less than all) the shares held by them to any person subject to the “right of first refusal” granted to our Company. Our Company shall be likewise, entitled to transfer all (but not less than all) the shares held by them to any person subject to the “right of first refusal” granted to the Investor and the Investor’s “tag along right”. The “all or none” principle set out above will not apply to a transfer of shares by the Investor pursuant to its “tag along right”

or its “drag along rights”. A shareholder can transfer all or any of its shares to an affiliate, provided such affiliates executes a deed of adherence agreeing to be fully bound by the terms of the SHA. However, no shares will be transferred or transmitted to or otherwise registered in the name of an individual. The share certificates must be stamped/imprinted with a legend stating the applicability of the transfer restrictions contained in the SHA.

The SHA also provides for a “right of first refusal” whereby if a shareholder wishes to sell or transfer its shares to a third party (“Transferee”), such shareholder (“the Offeror”), shall first offer such shares (“Offered Shares”) to the other shareholder (“the Offeree”) by a written notice (“Transfer Notice”). The offeree shall have 30 days from the date of receipt of the Transfer Notice (“Acceptance Notice”) to accept the offer with regard to all (and not some) of the Offered Shares by giving written notice to the Offeror, in which case the Offeree shall subscribe to the Offered Shares at the price stated in the Transfer Notice. Such subscription and sale shall be completed within a period of 60 days of the date of receipt by the Offeror of the Acceptance Notice.

Upon receipt of a Transfer Notice, the Investor may, instead of exercising its right of first refusal, exercise a “tag along right”, whereby the Investor shall have the right to require the Offeror to ensure that the Transferee also subscribes to a proportionate number of the Investor’s share (in proportion to the number of Shares then held by them) together with Offeror’s shares. Such rights shall be exercised by the Investor by issuing a written notice (“the Tag Along Notice”) within the Acceptance Period. The Notice shall also specify the number of Investor’s Shares to be subscribed to by the Transferee. On receipt of the Tag Along Notice, the Offeror must ensure that the Transferee also acquires the Investor’s shares specified in the Response Notice for the same consideration and upon the same conditions of sale as applicable to the Offered Share. Such acquisition shall be completed within 60 days of the receipt of the Tag Along Notice. If Offeree fails to issue an acceptance notice during the acceptance period, the Offeror shall be free thereafter to dispose of all of the Offered Shares to the Transferee on the same conditions of sale within a period of 60 days from the expiry of the acceptance period. Investor may, at its discretion, elect to exercise its “right of first refusal” or its “tag along right”.

On the expiry of three and a half years from the Completion Date, and during a period of one year after such expiry, the Investor shall have the right to sell to our Company (and on exercise of such right, our Company shall have the obligation to buy) all of the Investor’s shares (the “Put Option”) at the Put/Call Notice. At the delivery of the Put Notice, our Company shall subscribe to all and not less than all of the Investor’s shares (“Put Shares”) and the Investor shall sell such shares at the Put/Call Price. The subscription and sale of the Put Shares shall be completed within 60 days of the receipt of the Put Notice by our Company. The SHA further provides that if our Company commits any event of default or such default occurs in relation to our Company, the Investor shall have the right exercise the Put Option at the Put Price. If the Investor commits any event of default or such default occurs in relation to the Investor, our Company shall have the right to acquire from the Investor (and on exercise of such right, the Investor shall have the obligation to sell) all of the Investor’s shares (“the Call Option”) at Call Price.

If however, the Put Option is not exercised within the one year period, the Investor shall have “drag along rights”, wherein the Investor shall have the right to call upon our Company and our Company shall be under an obligation to sell their entire shareholding in the Company to a third party identified by the Investor, at the same price at which the Investor seeks to sell its shares to such third party (“the Drag Along Right”). This right cannot be exercised by the Investor for a transfer of shares to its Affiliates. In the event of any default by our Company in completion of the Put Option or the Call Option as the case may be, the Investor shall have the right to exercise the Drag Along Right.

The SHA further provides that the Agreement will terminate upon a party ceasing to be a shareholder in the Company, by mutual agreement of all shareholders, if the Company is wound up by resolution of shareholders or an order of a Court or if the Company is listed on a securities exchange (in India or otherwise).

6. *Debenture Subscription Agreement between HDFC Ventures Trustee Company Limited, Godrej Properties Limited and Godrej Waterside Properties Private Limited*

A debenture subscription agreement (“Debenture Agreement”) was entered on July 3, 2007 between our Company, HDFC Ventures Trustee Company Limited (“Investor”) and Godrej Waterside Properties Private Limited (“Godrej Waterside”), wherein our Company agreed to subscribe to secured redeemable optionally convertible debentures of Rs. 10 each for an aggregate nominal value of Rs. 14.79 Crores of Godrej Waterside,. Further, the Investors agreed to subscribe to secured redeemable optionally convertible debentures of Rs. 10 each, for an aggregate nominal value of Rs. 14.21 Crores. Godrej Waterside has created a security on its immovable property at Kadi, Gujarat for securing the Debentures and has appointed IL&FS Trust Company Limited to be its Trustee to the said issue. Further, our Company, the Investor and Godrej Waterside have entered into an amendment agreement dated June 10, 2009 in terms of which the parties have agreed to amend the terms of the debenture subscription agreement dated July 3, 2007 such that Godrej Waterside shall pay an interest of 1% per annum. to the debenture holders with effect from January 1, 2009 on the principal amount of the debentures instead of 10% per annum. as agreed upon earlier. The parties have also agreed that the moratorium period for payment of the accrued interest to the debenture holders shall be extended upto March 31, 2011.

7. Share Purchase Agreement in respect of Happy Highrises Limited

A Share Purchase Agreement (“SPA”) was entered into on July 18, 2007 between Gulmohar Trading Private Limited, Loreto Trading and Finance Company Limited, Chemo Traders Private Limited, Hotahoti Wood Products Limited, Purbanchal Prestressed Limited, PDJ Export Private Limited and Gancoiss India Private Limited (collectively referred to as the “Vendors”), Happy Highrises Limited and our Company.

As mentioned in the SPA, Happy Highrises Limited carries on the business of investments in real estate and as a real estate promoter and developer. The Vendors at the time of entering the agreement held 203,120 Equity Shares representing 100% of the issued capital of Happy Highrises Limited.

As per provisions of Sick Textiles Undertaking (Nationalisation) Act, 1974, a textile company named Bangasree Cotton Mills was transferred to and/or vested in the Central Government on and from April 1, 1974 alongwith land admeasuring an area of 26.71 acres (the “said land”). The Central Government transferred the ownership of Bangasree Cotton Mills and the said land to National Textile Corporation (West Bengal, Assam, Bihar and Orissa) Limited (“NTC”). NTC floated a tender dated January 19, 2007 for sale of the said land to which Happy Highrises Limited submitted its bid on February 20, 2007 for a sum of approximately Rs. 61 Crores and the same was accepted by NTC. Pursuant to acceptance of its bid, Happy Highrises Limited paid a sum of Rs. 15.25 Crores as earnest money and was liable to pay the balance consideration by of Rs. 45.75 Crores to NTC by May 20, 2007. Thereafter, NTC allowed Happy Highrises Limited to pay the balance consideration on or before July 19, 2007 alongwith interest of approximately Rs. 1.24 Crores.

The Vendors, by way of the SPA, agreed to sell 203,120 Equity Shares held by them being the entire shareholding of Happy Highrises Limited. As per the terms of the SPA, our Company shall pay to the Vendors a consideration of Rs. 68 Crores for payment or discharge of the following liabilities:

- a) a sum of Rs. 45.75 Crores to be paid to NTC towards payment of the balance consideration payable for purchase of the said land;
- b) a sum of approximately Rs. 1.24 Crores to be paid to NTC towards payment of interest on delayed payment of the balance consideration payable for purchase of the said land;
- c) a sum of approximately Rs. 4.94 Crores being the stamp duty and registration charges payable on the transfer of the said land by NTC in favour of Happy Highrises Limited;
- d) a sum of approximately Rs. 15.98 Crores towards payment and discharge of the unsecured loans and advances made to Happy Highrises Limited by North Eastern Publishing and Advertising Company Limited.

Pursuant to the receipt of consideration as mentioned above, the Vendors shall forward a cheque of Rs. 30 Crores to M/s. Victor Moses and Company, Solicitors and Advocates, who shall hold the same in escrow until the building permit for the proposed project on the said land is obtained in the name of Happy

Highrises Limited from Panihati Municipality which will be the responsibility of the Vendors.

Upon execution of the SPA and upon the transfer of shares, the entire control of Happy Highrises Limited would vest with our Company and the Vendors shall not in any way interfere with the same. Further, the Vendors and Happy Highrises Limited and, if required, our Company shall convene a meeting of the Board of Directors of Happy Highrises Limited where the following shall take place:

- i) Transfer of shares sold to our Company as per the SPA;
- ii) Appointment of directors of Happy Highrises Limited as nominated by our Company in place of the existing directors;
- iii) Existing bank mandates given by Happy Highrises Limited to be cancelled and substituted by those in favour of persons nominated by our Company;
- iv) Resolution to be passed for change of registered office of Happy Highrises Limited;
- v) Change the existing statutory auditors of Happy Highrises Limited;
- vi) Resignation of the existing directors to be accepted.

In the event, the permissions and/or sanctions and/or approvals which are required for the purpose of obtaining sanction of plan for the proposed project on the said lands is not granted within one year from the date of the SPA, our Company shall be entitled to exit from the proposed project on the said lands. Happy Highrises Limited shall be entitled to obtain conveyance in respect of the said land from NTC without any objection by the Vendors. Upon execution of the conveyance, Happy Highrises Limited shall apply for and obtain necessary permission and/or sanctions and/or approvals for sanction of plan for construction of the proposed project. The Vendors shall obtain such permissions and/or sanction and/or approvals from the said authority or authorities. It shall be the responsibility of the Vendors to obtain the building permit from Panihati Municipality and to obtain such permissions and/or sanctions and/or approvals from the said authority or authorities.

8. *Trademark License Agreement*

Our Company has entered into a Trademark License Agreement with Godrej Industries Limited dated May 27, 2008 pursuant to which Godrej Industries Limited has granted a non-exclusive license to the Company and its subsidiaries to use the registered trademark “Godrej” and the “Godrej logo”. As consideration for the license granted by Godrej Industries Limited, the Company shall pay a royalty of 0.5% per annum of the gross turnover of the Company, which shall be paid annually, within two months of the close of each financial year. The agreement is valid for a period of 5 years from the date of the agreement as mentioned above. The terms of the agreement and the license granted thereunder shall subsist until Godrej Industries Limited holds 26% of the total issued equity share capital of the Company.

Subsequently, our Company and Godrej industries Limited have entered into an amendment agreement dated May 4, 2009 in accordance with which our Company shall pay Godrej Industries Limited a royalty of 0.5% per annum. on the consolidated sales and operating income of our Company, which shall be paid quarterly within 30 days of each quarter.

9. *Letter from Godrej Industries Limited to the Company in relation to the proposed “Tri-Partite Advertising Agreement”*

Godrej Industries Limited has by its letter dated May 28, 2008 requested our Company to make the payment for an amount of Rs. 4.23 Crores pursuant to the advertising benefits availed by our Company in relation to the DLF Indian Premier League under the Tripartite Agreement proposed to be entered between MSM Satellite (Singapore) Pte Limited (“MSM”), its agent, Madison Communications Private Limited (“Madison”) and the Godrej group of companies. The payment has been calculated in accordance with the Company’s allocated share of expenses in proportion to its advertising spots. It is further stated in the letter that the Company is required to directly make the payment, including any further additions, to Madison Communications Private Limited.

10. Share Purchase and Subscription Agreement between Red Fort India Real Estate Babur, our Company and Godrej Developers Private Limited

A share purchase and subscription agreement ("Subscription Agreement") was entered into on June 27, 2008 between our Company, Red Fort India Real Estate Babur ("Investor") and Godrej Developers Private Limited ("GDPL") wherein the Investor agreed to subscribe 16,730 Equity Shares of GDPL for a consideration of Rs.21.50 Crores at the rate of Rs. 12,851 per subscription share inclusive of premium. Our Company has also sold 15,968 to the Investor Equity Shares for a consideration of Rs. 20.52 Crores. The investor shall on subscription of the shares hold 49% of the issued and paid up equity share capital of GDPL.

Our Company has acknowledged that the Investor has entered into this agreement on the basis of the warranties given by the Promoter and shall indemnify the Investor and GDPL against any and all damages which arise directly out of or result from any falsity, default breach or inaccuracy of any of the Promoter Warranties or any act, omission, representation or declaration, rendering the warranty inaccurate, false or incomplete or any act of default or breach under the Subscription Agreement.

11. Share holders Agreement between Red Fort India Real Estate Babur, our Company and Godrej Developers Private Limited

A Shareholders agreement ("Shareholders Agreement") was entered into on June 27, 2008 between our Company, Red Fort India Real Estate Babur ("Investor") and Godrej Developers Private Limited ("GDPL") wherein the Investor has agreed to subscribe by itself or through its affiliates 16,730 Equity Shares representing about 25.10% of the issued and paid up capital of GDPL for a consideration of Rs. 21.50 Crores and purchase by itself or through a nominated affiliate 15, 968 Equity Shares representing approximately 23.90% of GDPL for a consideration of 20.52 Crores.

The office of chairman shall be held by a promoter director of our Company. Our company has a right to nominate up to three directors while the Investor can nominate up to two directors. Our Company is responsible for facilitating the exit of the Investor according to the terms and conditions set out in the Shareholders Agreement. Upon occurrence of aggravated Default, GDPL shall be required to purchase all the shares of the Investor, at a price which shall ensure the Investor receives IRR of 20% on the aggregate investment amount.

12. Share Purchase and Subscription Agreement between Milestone Real Estate Fund, Our Company and Happy Highrises Limited

A share purchase and subscription agreement ("Subscription Agreement") was entered into on August 31, 2009 between our Company, Milestone Real Estate Fund ("Investor") and Happy Highrises Limited ("HHL") wherein our Company as agreed to sell to the Investor and the investor has agreed to subscribe 99,528 Equity Shares of HHL for a consideration of Rs. 86.10 Crores. The investor shall on subscription of the shares hold 49% of the issued and paid up equity share capital of HHL.

Prior to the closing date under this Subscription Agreement, the parties have to enter into the Debenture subscription Agreement to make provisions for the Company to issue and allot 250,000 1% unsecured redeemable debentures, optionally convertible of Rs. 1000 each for a total consideration of Rs. 25 Crores and the Investor to subscribe and pay for the same in the manner and on the terms and conditions of the Subscription Agreement.

Our Company shall indemnify the Investor and its affiliates and each of their respective officers, directors, employees, agents, consultants, advisors and other representatives against any and all damages, suits, litigation, including reasonable legal fees and disbursements therewith which arise directly out of default breach or inaccuracy of any of the warranty, covenant or agreements made or obligation required to be performed under the Subscription Agreement.

13. *Share holders Agreement between Milestone Real Estate Fund, Our Company and Happy Highrises Limited*

A shareholders agreement (“Shareholders Agreement”) was entered into on August 31, 2009 between our Company, Milestone Real Estate Fund (“Investor”) and Happy Highrises Limited (“HHL”) wherein the Investor has agreed to purchase 99,528 shares of HHL from our Company for a consideration of Rs. 86.10 Crores. The investor shall on subscription of the shares hold 49% of the issued and paid up equity share capital of HHL.

Prior to the closing date under this Subscription Agreement, the parties have to enter into the Debenture subscription Agreement to make provisions for the Company to issue and allot 250,000 1% unsecured redeemable debentures, optionally convertible of Rs. 1000 each for a total consideration of Rs. 25 Crores and the Investor to subscribe and pay for the same in the manner and on the terms and conditions of the Subscription Agreement.

Our company has a right to nominate up to three directors while the Investor can nominate up to two directors. Right to appoint includes right to appoint/nominate/terminate/replace/re-appoint an alternate in place of the director to attend and vote at board meeting in his absence. Resolutions of any matter shall require the affirmative vote of at least one director nominated by the Investor. The Investor shall have a right to transfer any or all of its shares to any person other than the competitor of the HHL only with the written consent of our Company

14. *Debenture Subscription Agreement between Milestone Real Estate Fund, Our Company and Happy Highrises Limited*

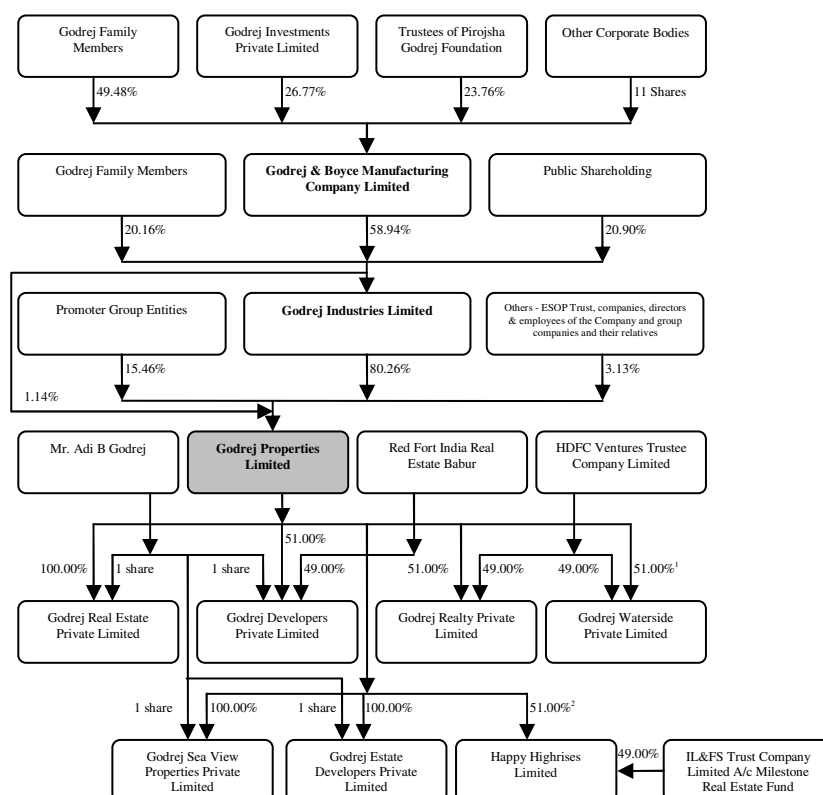
A debenture subscription agreement (“Debenture Agreement”) was entered on September 18, 2009 between our Company, Milestone Real Estate Fund (“Investor”) and Happy Highrises Limited (“HHL”) wherein HHL agreed to subscribe to issue and allot 250,000 1% unsecured redeemable debentures, optionally convertible of Rs. 1000 each for a total consideration of Rs. 25.00 Crores to the Investor. The debentures can be redeemed at the option of HHL three years from the commencement date or two years thereafter for the aggregate debenture subscription price along with 17.5% IRR. The debenture should be redeemed in maximum of four instalments and the amount should not be less than Rs. 12 Crores. After the expiration of five years our Company should within two months ensure that the redemption according to terms of the Debenture Agreement.

For details in relation to the memorandum of understanding entered into with the Ahmedabad Municipal Corporation please see section titled “Our Business – Land Reserves” on page 81 of this Prospectus.

15. *Agreement of leave and license between the Company, Mr. Mohan Purushottam Pusalkar and Mrs. Atul Mohan Pusalkar dated November 3, 2009*

An agreement of leave and license between the Company, Mr. Mohan Purushottam Pusalkar and Mrs. Atul Mohan Pusalkar dated November 3, 2009 (“Agreement”) has been entered into. Mr. Mohan Purushottam Pusalkar and Mrs. Atul Mohan Pusalkar are in possession of the property located in flat No.902 Planet Godrej, Simplex Mills Sant Gadge Maharaj Chowk, Mahalaxmi, Mumbai – 400 011. The Company has been licensed to use the property for residential purpose by the Company’s employees and authorized representative. The Agreement is renewed for six months from October 1, 2009. The Company shall pay a consideration of Rs. 1 lakh per month. The Company shall pay all the taxes for the property and bills in relation to the property.

A flow chart indicating the holdings of the various entities related to our Company is as set out below:



1. Includes one share jointly held with Mr. Milind S. Korde

2. Includes six shares jointly held with Mr. Milind S. Korde, Mr. K.T. Jithendran, Mr. Nitin M. Wagle, Mr. Shodhan A. Kembhavi, Mr. Rajendra Khetawat and Mr. Santosh Tamhane, holding one share each

Our Subsidiaries

1. Godrej Realty Private Limited (GRPL)

GRPL was incorporated under the Companies Act on June 27, 2005 as Casablanca Properties Private Limited. Its name was changed to Godrej Realty Private Limited with effect from January 25, 2006. GRPL became a subsidiary of our Company, with effect from January 31, 2006.

The registered office of GRPL is at Godrej Bhavan, 4th Floor, 4A, Home Street, Fort, Mumbai – 400 001.

Principle Business

GRPL is engaged in the business of real estate.

Capital Structure

The authorised share capital of GRPL is Rs. 10,000,000 divided into 1,000,000 Equity Shares of Rs. 10 each and the paid up capital of GRPL is Rs. 10,000,000 divided into 1,000,000 Equity Shares of Rs. 10 each.

Shareholding Pattern

The shareholding pattern of GRPL as of October 31, 2009 is as follows:

Name of Shareholders	No. of Equity Shares (face value Rs. 10 each)	Percentage Shareholding
Godrej Properties Limited*	5,10,000	51.00
HDFC Ventures Trustee Company Limited	4,90,000	49.00
Total	10,00,000	100.00

**Includes one share held jointly with Mr. Milind S. Korde*

Acquisition

The Company has acquired the entire shareholding of GRPL for a consideration of Rs. 0.01 Crores. GRPL was acquired by the Company through negotiated transactions between the Company and the respective vendors and thus no independent valuation was required to be carried out for the purpose of the acquisition.

2. Godrej Waterside Properties Private Limited (GWPPL)

GWPPL was incorporated under the Companies Act on June 27, 2005 as Bridgestone Properties Private Limited. Its name was changed to Godrej Waterside Properties Private Limited with effect from January 26, 2006. GWPPL became a subsidiary of our Company, with effect from January 31, 2006.

The registered office of GWPPL is at Godrej Bhavan, 4th Floor, 4A, Home Street, Fort, Mumbai – 400 001.

Principle Business

GWPPL is engaged in the business of real estate.

Capital Structure

The authorised share capital of GWPPL is Rs. 10,000,000 divided into 1,000,000 Equity Shares of Rs. 10 each and the paid up capital of GWPPL is Rs. 10,000,000 divided into 1,000,000 Equity Shares of Rs. 10 each.

Shareholding Pattern

The shareholding pattern of GWPPL as of October 31, 2009 is as follows:

Name of Shareholders	No. of Equity Shares (face value Rs. 10 each)	Percentage Shareholding
Godrej Properties Limited*	5,10,000	51.00
HDFC Venture Trustee Company Limited	4,90,000	49.00
Total	10,00,000	100.00

**Includes one share held jointly with Mr. Milind S. Korde*

Acquisition

The Company has acquired the entire shareholding of GWPPL for a consideration of Rs. 0.01 Crores. GWPPL was acquired by the Company through negotiated transactions between the Company and the respective vendors and thus no independent valuation was required to be carried out for the purpose of the acquisition.

3. Godrej Developers Private Limited (GDPL)

GDPL was incorporated under the Companies Act on March 15, 2007.

The registered office of GDPL is at Godrej Bhavan, 4th Floor, 4A, Home Street, Fort, Mumbai – 400 001.

Principle Business

GDPL is engaged in the business of real estate.

Capital Structure

The authorised share capital of GDPL is Rs. 1,000,000 divided into 90,000 Equity Shares of Rs. 10 each and 10,000 non-convertible cumulative redeemable preference shares of Rs. 10 each. The paid up capital of GDPL is Rs. 667,300 divided into 66,370 Equity Shares of Rs. 10 each.

Shareholding Pattern

The shareholding pattern of Equity Shares of GDPL as of October 31, 2009 is as follows:

Name of Shareholders	No. of Equity Shares (face value Rs. 10 each)	Percentage Shareholding
Godrej Properties Limited	34,031	51.00
Mr. Adi B. Godrej	1	0.00
Redfort India Real Estate Babur	32,698	49.00
Total	66,730	100.00

The entire Preference Share Capital of GDPL was redeemed on March 31, 2009.

4. Godrej Real Estate Private Limited (GREPL)

GREPL was incorporated under the Companies Act on March 15, 2007.

The registered office of GREPL is at Godrej Bhavan, 4th Floor, 4A, Home Street, Fort, Mumbai – 400 001.

Principle Business

GREPL is engaged in the business of real estate.

Capital Structure

The authorised share capital of GREPL is Rs. 500,000 divided into 50,000 Equity Shares of Rs. 10 each and the paid up capital of GREPL is Rs. 500,000 divided into 50,000 Equity Shares of Rs. 10 each.

Shareholding Pattern

The shareholding pattern of GREPL as of October 31, 2009 is as follows:

Name of Shareholders	No. of Equity Shares (face value Rs. 10 each)	Percentage Shareholding
Godrej Properties Limited	49,999	100.00
Mr. Adi B. Godrej	1	0.00
Total	50,000	100.00

5. Godrej Sea View Properties Private Limited (GSVPPL)

GSVPPL was incorporated under the Companies Act on March 14, 2007.

The registered office of GSVPPL is at Godrej Bhavan, 4th Floor, 4A, Home Street, Fort, Mumbai – 400 001.

Principle Business

GSVPPL is engaged in the business of real estate.

Capital Structure

The authorised share capital of GSVPPPL is Rs. 500,000 divided into 50,000 Equity Shares of Rs. 10 each and the paid up capital of GSVPPPL is Rs. 500,000 divided into 50,000 Equity Shares of Rs. 10 each.

Shareholding Pattern

The shareholding pattern of GSVPPPL as of October 31, 2009 is as follows:

Name of Shareholders	No. of Equity Shares (face value Rs. 10 each)	Percentage Shareholding
Godrej Properties Limited	49,999	100.00
Mr. Adi B. Godrej	1	0.00
Total	50,000	100.00

6. Happy Highrises Limited (HHL)

HHL was incorporated under the Companies Act on May 14, 1993 as Mrinal Agencies Private Limited. Its name was changed to Happy Highrises Private Limited on September 3, 2002 and to HHL as January 24, 2003. HHL became a subsidiary of our Company, with effect from July 18, 2007.

The registered office of HHL is at Godrej Bhavan, 4th Floor, 4A, Home Street, Fort, Mumbai – 400 001.

Principle Business

HHL is engaged in the business of real estate.

Capital Structure

The authorised share capital of HHL is Rs. 2,500,000 divided into 250,000 Equity Shares of Rs. 10 each and the paid up capital of HHL is Rs. 2,031,200 divided into 203,120 Equity Shares of Rs. 10 each.

Shareholding Pattern

The shareholding pattern of HHL as of October 31, 2009 is as follows:

Name of Shareholders	No. of Equity Shares (face value Rs. 10 each)	Percentage Shareholding
Godrej Properties Limited*	1,03,592	51%
IL&FS Trust Company Limited A/c Milestone Real Estate Fund	99,528	49%
Total	2,03,120	100.00

**Includes 6 shares held jointly with 6 individuals i.e. Mr. Milind S. Korde, Mr. K. T. Jithendran, Mr. Nitin M. Wagle, Mr. Shodhan A. Kembhavi, Mr. Rajendra Khetawat and Mr. Santosh Tamhane*

Acquisition

The Company has acquired the entire shareholding of HHL for a consideration of Rs. 32.07 Crores. HHL was acquired by the Company through negotiated transactions between the Company and the respective vendors and thus no independent valuation was required to be carried out for the purpose of the acquisition.

7. Godrej Estate Developers Private Limited (GEDPL)

GEDPL was incorporated under the Companies Act on July 11, 2008.

The registered office of GEDPL is at Godrej Bhavan, 4th Floor, 4A, Home Street, Fort, Mumbai – 400 001.

Principle Business

GEDPL is engaged in the business of real estate.

Capital Structure

The authorised share capital of GEDPL is Rs. 500,000 divided into 50,000 Equity Shares of Rs. 10 each and the paid up capital of GEDPL is Rs. 500,000 divided into 50,000 Equity Shares of Rs. 10 each

Shareholding Pattern

The shareholding pattern of GEDPL as of October 31, 2009 is as follows:

Name of Shareholders	No. of Equity Shares (face value Rs. 10 each)	Percentage Shareholding
Godrej Properties Limited	49,999	100.00
Mr. Adi B. Godrej	1	0.00
Total	50,000	100.00

Listed Subsidiaries

None of the Subsidiaries are listed with any stock exchange.

Acquisition of the Subsidiaries

a) Godrej Realty Private Limited (“GRPL”)

GRPL became a subsidiary of the Company, with effect from January 31, 2006 when 10,000 Equity Shares were acquired by the Company, including one share acquired jointly with Mr. Milind S. Korde, aggregating to 100% of the paid up capital of GRPL. Further, 500,000 Equity Shares were allotted to the Company on March 16, 2006. The Company has acquired the entire shareholding of GRPL for a consideration of Rs. 0.01 Crores. GRPL was acquired by the Company through negotiated transactions between the Company and the respective vendors and thus no independent valuation was required to be carried out for the purpose of the acquisition.

b) Godrej Waterside Properties Private Limited (“GWPPPL”)

GWPPPL became a subsidiary of the Company, with effect from January 31, 2006 when 10,000 Equity Shares were acquired by the Company, including one share acquired jointly with Mr. Milind S. Korde, aggregating to 100% of the paid up capital of GWPPPL. Further, 40,000 Equity Shares were allotted to the Company on March 31, 2006 and 4,60,000 Equity Shares were allotted to the Company on August 14, 2007. The Company has acquired the entire shareholding of GWPPPL for a consideration of Rs. 0.01 Crores. GWPPPL was acquired by the Company through negotiated transactions between the Company and the respective vendors and thus no independent valuation was required to be carried out for the purpose of the acquisition.

c) Godrej Developers Private Limited (“GDPL”)

GDPL was incorporated by the Company on March 15, 2007. Since GDPL was not acquired by the Company there is no acquisition cost incurred by the Company.

d) Godrej Real Estate Private Limited (“GREPL”)

GREPL was incorporated by the Company on March 15, 2007. Since GREPL was not acquired by the Company there is no acquisition cost incurred by the Company.

e) Godrej Sea View Properties Private Limited (“GSVPPL”)

GSVPPL was incorporated by the Company on March 14, 2007. Since GSVPPL was not acquired by the Company there is no acquisition cost incurred by the Company.

f) Happy Highrises Limited (“HHL”)

HHL became a subsidiary of the Company, with effect from July 18, 2007 when 203,120 Equity Shares were acquired by the Company, including six shares acquired jointly with below mentioned individuals, aggregating to 100% of the paid up capital of HHL. The Company has acquired the entire shareholding of HHL for a consideration of Rs. 32.072 Crores. HHL was acquired by the Company through negotiated transactions between the Company and the respective vendors and thus no independent valuation was required to be carried out for the purpose of the acquisition.

g) Godrej Estate Developers Private Limited (“GEDPL”)

GEDPL was incorporated by the Company on July 11, 2008. Since GEDPL was not acquired by the Company there is no acquisition cost incurred by the Company.

The term “negotiated deal between vendors and the Company” refers to the manner in which the respective transactions are finalized and the consideration amount is determined based on market valuation of the shares of the particular subsidiary.

Common pursuits of the Subsidiaries

None of our Subsidiaries have any interest in any venture that is involved in any activities similar to those conducted by our Company or any of the Promoters.

Accumulated Profits/Losses of the Subsidiaries

The details of the accumulated profits and losses of the subsidiaries of the Company are set forth below:

(in Rs. Crores)

Name of the Subsidiary	Year					
	June 09	March 09	March 08	March 07	March 06	March 05
Girikandra Holiday Homes and Resorts Limited	-	-	(-*)	(-*)	(-*)	(-*)
Godrej Realty Private Limited	0.070	0.142	(0.001)	(0.106)	0	-
Godrej Waterside Properties Private Limited	(0.008)	0.834	(0.030)	(0.283)	0	-
Godrej Developers Private Limited	(-*)	(0.002)	(-*)	(0.003)	-	-
Godrej Real Estate Private Limited	(-*)	(0.003)	(0.002)	(0.003)	-	-
Godrej Sea View Properties Private Limited	(0.006)	(0.008)	(0.004)	(0.003)	-	-
Godrej Estate Developers Private Limited	(0.002)	(0.005)	-	-	-	-
Happy Highrises Limited	(0.001)	(0.003)	0.001	-	-	-

- Represents amount less than Rs. 50,000*

- Represents that the company was not a subsidiary during the period.

Strategic Partners

As of the date of this Prospectus, our Company has no strategic partners and is not part of any strategic partnerships.

Financial Partners

As of the date of this Prospectus, our Company has no financial partners.

OUR MANAGEMENT

Under our Articles of Association we cannot have fewer than three directors and more than 16 directors. We currently have 12 directors on our Board.

The following table sets forth details regarding our Board as of the date of filing the Prospectus with SEBI.

Name, Designation, Father's Name, Address and Term	Age (Years)	Nationality	Other Directorships
Mr. Adi B. Godrej <i>Chairman (Non-Executive)</i> s/o Dr. B. P. Godrej Aashraye, Godrej House, 67 H, Walkeshwar Road, Mumbai – 400 006 Date of Appointment: April 25, 1990 Term: Liable to retire by rotation DIN: 00065964 Industrialist	67	Indian	Public Companies : 1. Godrej Consumer Products Limited 2. Godrej Industries Limited 3. Godrej Sara Lee Limited 4. Swadeshi Detergents Limited 5. Vora Soaps Limited 6. Godrej Hershey Limited 7. Godrej & Boyce Manufacturing Company Limited 8. Godrej Agrovat Limited 9. Godrej SCA Hygiene Limited 10. Nutrine Confectionery Company Limited Private Companies: 1. Godrej Investments Private Limited Foreign Companies: 1. Godrej International Limited 2. Godrej Global Mideast FZE 3. Godrej Consumer Products (UK) Limited 4. Keyline Brands Limited 5. Rapidol (Pty) Limited 6. Godrej Consumer Products Mauritius Limited 7. Godrej Kinky Holdings Limited 8. Kinky Group Pty. Limited Others: 1. The Indian School of Business (Member of Executive Board)
Mr. Jamshyd N. Godrej <i>Director (Non-Executive)</i> s/o Mr. N. P. Godrej 40-D, The Trees, B. G. Kher Marg, Malabar Hill, Mumbai – 400 006 Date of Appointment: April, 25, 1990	60	Indian	Public Companies: 1. Godrej Consumer Products Limited 2. Geometric Limited 3. Bajaj Auto Limited 4. Haldia Petrochemicals Limited 5. Godrej Industries Limited 6. Godrej Agrovat Limited 7. Godrej Sara Lee Limited 8. Godrej & Boyce Manufacturing Company Limited Private Companies: 1. Godrej Investments Private Limited 2. Illinois Institute of Technology (India) Private Limited 3. Tata Trustee Company Private

Name, Designation, Father's Name, Address and Term	Age (Years)	Nationality	Other Directorships
Term: Liable to retire by rotation			Limited
DIN: 00076250			4. Antrix Corporation Limited
Industrialist			Section 25 Companies:
			1. Breach Candy Hospital Trust
			2. Singapore-India Partnership Foundation
			3. Great Lakes Institute of Management
			4. Indian Institute for Human Settlements
			Foreign Companies:
			1. Godrej (Malaysia) Sdn. Bhd.
			2. Godrej (Singapore) Pte Limited
			3. Godrej (Vietnam) Company Limited
			4. Godrej & Khimji (Middle East) LLC
			5. Climate Works Foundation
			6. World Resources Institute, USA
			7. Asia Business Council
Mr. Nadir B. Godrej <i>Director (Non-Executive)</i> s/o Dr. B. P. Godrej	58	Indian	Public Companies:
40-D, The Trees, B. G. Kher Marg, Malabar Hill, Mumbai – 400 006			1. Godrej Industries Limited
Date of Appointment: April 25, 1990			2. Godrej Consumer Products Limited
Term: Liable to retire by rotation			3. Mahindra & Mahindra Limited
DIN: 00066195			4. Godrej Agrovat Limited
Industrialist			5. Godrej & Boyce Manufacturing Company Limited
			6. Godrej Gold Coin Aquafeed Limited
			7. Godrej Sara Lee Limited
			8. KarROX Technologies Limited
			9. Tata Teleservices (Maharashtra) Limited
			10. Godrej Tyson Foods Limited
			11. Godrej Oil Palm Limited
			12. The Indian Hotels Company Limited
			13. Cauvery Palm Oil Limited
			Foreign Companies:
			1. Keyline Brands Limited
			2. Godrej International Limited
			3. Compass BPO Limited
			4. ACI Godrej Agrovat Private Limited, Bangladesh
			5. Godrej Global Mid East FZE
			6. Rapidol (Pty) Limited
			Section 25 Companies:
			1. Poultry Processors' Association of India
Mrs. Parmeshwar A. Godrej <i>Director (Non-Executive)</i> w/o Mr. Adi B. Godrej	65	Indian	Private Companies:
			1. Indian Hotels and Health Resorts Private Limited

Name, Designation, Father's Name, Address and Term	Age (Years)	Nationality	Other Directorships
<p>Aashraye, Godrej House, 67 H, Walkeshwar Road, Mumbai – 400 006</p> <p>Date of Appointment: November 30, 1989</p> <p>Term: Liable to retire by rotation</p> <p>DIN: 00432572</p> <p>Company Director</p>			<p>Others:</p> <ol style="list-style-type: none"> 1. Gates Foundation - Avahan (Board Member) 2. The Gere Foundation (Board Member) 3. Cine Blitz Publications (Board Member) 4. The American India Foundation (Member – India Advisory Board) 5. The Palace School, Jaipur (Board Member)
<p>Mr. Milind S. Korde <i>Managing Director</i> s/o Mr. Surendra Korde</p> <p>302 Hira Baug, Plot No. 254, Telang Road, Matunga, Mumbai – 400 019</p> <p>Date of Appointment: April 1, 2009</p> <p>Term: April 1, 2009 to March 31, 2012</p> <p>DIN: 00434791</p> <p>Service</p>	46	Indian	<p>Public Companies:</p> <ol style="list-style-type: none"> 1. Tahir Properties Limited 2. Happy Highrises Limited <p>Private Companies:</p> <ol style="list-style-type: none"> 1. Godrej Realty Private Limited 2. Godrej Waterside Properties Private Limited 3. Godrej Real Estate Private Limited 4. Godrej Sea View Properties Private Limited 5. Godrej Developers Private Limited 6. Godrej Estate Developers Private Limited
<p>Mr. Amit B. Choudhury <i>Independent Director</i> s/o Mr. Biren Choudhury</p> <p>C-304, Golden Oak CHS. Hiranandani Gardens, Powai, Mumbai – 400 076</p> <p>Date of Appointment: May 1, 2003</p> <p>Term: Liable to retire by rotation</p>	66	Indian	<p>Public Companies:</p> <ol style="list-style-type: none"> 1. Swadeshi Detergents Limited 2. Vora Soaps Limited 3. Godrej Agrovat Limited 4. Wadala Commodities Limited 5. Godrej Industries Limited

Name, Designation, Father's Name, Address and Term	Age (Years)	Nationality	Other Directorships
DIN: 00557547			
Company Director			
Mr. Keki B. Dadiseth <i>Independent Director</i> s/o Mr. Bomi Khurshed Dadiseth 8A Manek, L. D. Ruparel Marg, Malabar Hill, Mumbai – 400 006 Date of Appointment: January 16, 2008 Term: Liable to retire by rotation DIN: 00052165 Company Director	63	Indian	Public Companies: <ol style="list-style-type: none"> 1. Britannia Industries Limited 2. ICICI Prudential Life Insurance Company Limited 3. Piramal Healthcare Limited 4. ICICI Prudential Trust Limited 5. Siemens Limited 6. The Indian Hotels Company Limited Private Companies: <ol style="list-style-type: none"> 1. Omnicom India Marketing Advisory Services Private Limited 2. Sony India Private Limited Foreign Companies: <ol style="list-style-type: none"> 1. Goldman Sachs (International Advisor) 2. Prudential PLC 3. Fleishman-Hillard Inc. (Member, International Advisory Board) 4. Oliver Wyman Limited, UK (Member, Senior Advisory Board) 5. Sony Corporation (Senior Advisor, Sony Group in India) Others: <ol style="list-style-type: none"> 1. Breach Candy Hospital Trust (Member, Managing Committee and Finance Committee) 2. Indian School of Business (Member Executive Board) 3. Sir Ratan Tata Trust (Trustee) 4. Bai Hirabai J. N. Tata Navsari Charitable Institution (Trustee) 5. The B. D. Petit Parsee General Hospital (Member, Executive Committee)
Mrs. Lalita D. Gupte <i>Independent Director</i> w/o Mr. Dileep M. Gupte Mhaskar Building, 153 – C, Sir Bhalchandra Road, Matunga, Mumbai – 400 019	61	Indian	Public Companies: <ol style="list-style-type: none"> 1. ICICI Venture Funds Management Company Limited 2. Bharat Forge Limited 3. Firstsource Solutions Limited 4. Kirloskar Brothers Limited 5. Nokia Corporation 6. HPCL-Mittal Energy Limited Private Companies: <ol style="list-style-type: none"> 1. Swadhaar FinServe Private Limited

Name, Designation, Father's Name, Address and Term	Age (Years)	Nationality	Other Directorships
<p>Date of Appointment: January 16, 2008</p> <p>Term: Liable to retire by rotation</p> <p>DIN: 00043559</p> <p>Banker/Financial Expert</p>			<p>Others:</p> <ol style="list-style-type: none"> 1. NM Rothschild & Sons (India) Private Limited (Member of Indian Advisory Council) 2. SVKM's NMIMS University (Member, Board of Management) 3. Joseph L Rotman School of Management (Member, Dean's Advisory Board) 4. Welham Girls' School (Member, Board of Governors) 5. National Institute of Industrial Engineering (NITIE) (Member, Board of Governors) 6. RAND Centre for Asia Pacific Policy (Member, Advisory Board)
<p>Mr. Pranay Vakil <i>Independent Director</i> s/o Mr. Dhansukhlal Vakil</p> <p>701, A Wing, Olympus Apartments 5C, Altamount Road, Mumbai – 400 026</p> <p>Date of Appointment: January 16, 2008</p> <p>Term: Liable to retire by rotation</p> <p>DIN: 00433379</p> <p>Company Director</p>	62	Indian	<p>Private Companies:</p> <ol style="list-style-type: none"> 1. Knight Frank (India) Private Limited 2. Praron Consultancy (India) Private Limited 3. Dignity Lifestyle Private Limited 4. Rutley Real Estate Investment Management (India) Private Limited
<p>Dr. Pritam Singh <i>Independent Director</i> s/o Late Mr. R.D. Singh</p> <p>H.No. A-2/14, PWO Complex, Plot No. 1A, Sector 43, Gurgaon - 122 001, Haryana</p> <p>Date of Appointment: January 16, 2008</p> <p>Term: Liable to retire by rotation</p>	68	Indian	<p>Public Companies:</p> <ol style="list-style-type: none"> 1. Hero Honda Motors Limited 2. Dish TV India Limited 3. The Delhi Stock Exchange Limited 4. Parsvnath Developers Limited 5. Dena Bank <p>Others:</p> <ol style="list-style-type: none"> 1. Local board of the Reserve Bank of India (Member) 2. All India Management Association – Member Governing Council

Name, Designation, Father's Name, Address and Term	Age (Years)	Nationality	Other Directorships
DIN: 00057377			
Professor			
Mr. Pirojsha A. Godrej <i>Executive Director</i> s/o Mr. Adi B. Godrej Aashraye, Godrej House, 67 H, Walkeshwar Road, Mumbai – 400 006 Date of Appointment: November 1, 2008 Term: November 1, 2008 to October 31, 2011 DIN: 00432983 Service	29	Indian	Private Companies: 1. Godrej Realty Private Limited 2. Godrej Waterside Properties Private Limited 3. Godrej Developers Private Limited
Mr. S. Narayan <i>Independent Director</i> s/o Mr.K.N.Subbaraman 8, Golf Apartments, Sujan Singh Park, New Delhi - 110003 Date of Appointment: October 25, 2008 Term: Liable to retire by rotation DIN: 00094081 Retired IAS Officer	66	Indian	Public Companies: 1. Seshasayee Paper & Board Limited 2. Dabur India Limited 3. Apollo Tyres Limited 4. Teesta Urja Limited 5. Fem Care Pharma Limited 6. Lakshmi Vilas Bank Private Companies: 1. Castlewood Trading Private Limited 2. AIP Power Private Limited 3. Artemis Medicare Services Private Limited Sole Proprietorships 1. Athena Ventures Others 1. Head of Research and Visiting Senior Research Fellow at the Institute of South Asian Studies, National University of Singapore (NUS) 2. Chair Professor for Banking and Finance at Indira Gandhi National

Name, Designation, Father's Name, Address and Term	Age (Years)	Nationality	Other Directorships
			Open University

Brief Profile of the Directors

Mr. Adi B. Godrej, 67 years, has been a Director of our Company since 1990 and is the Chairman of our Company. He holds a Bachelor and Masters degree from the Massachusetts Institute of Technology, U.S.A. Mr. Godrej is the Chairman of the Godrej group. He is Chairman of Godrej Consumer Products Limited, Godrej Industries Limited, Godrej Sara Lee Limited, Godrej Hershey Limited, and several other Godrej Group companies. Mr. Godrej is a director of numerous companies, including Godrej & Boyce Manufacturing Company Limited and Godrej Agrovat Limited. He also serves as a member of the executive board of the Indian School of Business.

Mr. Jamshyd N. Godrej, 60 years, has been a Director of our Company since 1990. He holds a Bachelor of Science from the Illinois Institute of Technology, U.S.A. He joined the board of management of Godrej & Boyce Manufacturing Company Limited as a director in 1974, became managing director in 1991 and chairman of the board in 2000. Mr. Jamshyd N. Godrej is the President of World Wide Fund for Nature, India and the former President of Confederation of Indian Industry and the Indian Machine Tool Manufacturers' Association.

Mr. Nadir B. Godrej, 58 years, has been a Director of our Company since 1990. He holds a Bachelor of Science degree in chemical engineering from the Massachusetts Institute of Technology, U.S.A., a Master of Science degree in chemical engineering from Stanford University, U.S.A. and a Master of Business Administration degree from Harvard Business School, USA. Mr. Nadir B. Godrej is the chairman of Godrej Agrovat Limited. He is the Managing Director of Godrej Industries Limited and director in numerous companies.

Mrs. Parmeshwar A. Godrej, 65 years, has been a Director of our Company since 1989. Mrs. Godrej has completed her Senior Cambridge and studied Fine Arts and Commercial Art at J. J. School of Arts, Mumbai. Mrs. Godrej serves on the board of the Indian Hotels and Health Resorts Private Limited, Gates Foundation (Avahan), The Gere Foundation, Cine Blitz Publications, American India Foundation and the Palace School in Jaipur.

Mr. Milind S. Korde, 46 years, has been the Managing Director of our Company since 2003. He is a law graduate and holds a Bachelor of Science degree. He is also an Associate Member of the Institute of Company Secretaries of India. He started his career with Tata Housing and Development Company and joined Godrej Properties Limited in 1990 in the year of its inception. He has over 18 years of experience in real estate development and has handled diverse portfolios like legal, marketing, commercial, secretarial and business development in the Company before being appointed as the Managing Director of the Company.

Mr. Amit B. Choudhury, 66 years, has been a Director of our Company since 2003. He holds a Masters degree in Economics and Masters in Management Studies from Jamnalal Bajaj Institute of Management Studies. Mr. Choudhury serves on the board of Swadeshi Detergents Limited, Vora Soaps Limited, Godrej Agrovat Limited, Wadala Commodities Limited and Godrej Industries Limited.

Mr. Keki B. Dadiseth, 63 years, is an independent director of our Company since January 16, 2008. He is a Fellow of the Institute of Chartered Accountants of England and Wales. He joined Hindustan Lever Limited in India in 1973. His tenure in the company included a three-year secondment to Unilever PLC in London from 1984 to 1987 and in 1987 Mr. Dadiseth joined the Board of Hindustan Lever Limited, until he became Chairman in 1996. He was appointed Director on the Board of Unilever PLC and Unilever NV in May 2000 and a Member of the Executive Committee. He retired from Unilever in May 2005. Mr. Dadiseth is closely associated with various industry, educational, management and medical bodies and is currently on the boards of The Indian Hotels Company Limited, Britannia Industries Limited, Piramal Healthcare Limited, Siemens Limited, ICICI Prudential Life Insurance Company Limited, ICICI Prudential Trust Limited and Sony India Private Limited. He is a member of the executive board of the Indian School of Business. He is a non-executive

director of Prudential PLC, Chairman of Omnicom India International Advisor to Goldman Sachs, Member of International Advisory Board of Fleishman-Hillard Inc., Member of Senior Advisory Board of Oliver Wyman Limited, UK and Senior Advisor to Sony Group in India. He is a Trustee of Sir Ratan Tata Trust and Bai Hirabai J. N. Tata Navsari Charitable Institution. He is also a Member of the Managing Committee and Finance Committee of Breach Candy Hospital Trust. He is also the member of the Executive Committee of The B.D. Petit Parsee General Hospital.

Mrs. Lalita D. Gupte, 61 years, is an Independent Director of our Company since January 16, 2008. She holds a Bachelors Degree in Economics and a Masters Degree in Management Studies. Mrs. Gupte is currently the Chairperson of ICICI Venture Funds Management Company Limited. In October 2006 she retired as Joint Managing Director and Member of the Board of ICICI Bank Limited. Mrs. Gupte is on board of several companies and educational institutions and has received several awards and recognitions such as the Astitva Award for Lifetime Achievement (2007), the Kesari Gaurav Sanman Award (2007) for significant contribution in the field of banking, the Economic Times award for corporate excellence for business woman of the year in 2004 – 2005, among others.

Mr. Pranay Vakil, 62 years, is an Independent Director of our Company since January 16, 2008. Mr. Vakil is a Chartered Accountant and a law graduate by qualification. Mr. Vakil is presently the Chairman of Knight Frank in India. Till October 2001, Mr. Vakil was the Managing Director of Gesco Corporation Limited and prior to that, worked as the Executive Director with Raychem for a period of five years. At present he is the Director of Praron Consultancy (India) Private Limited, Dignity Lifestyle Private Limited and Rutley Real Estate Investment Management (India) Private Limited. He is the co-chairman of Federation of Indian Chambers of Commerce and Industry (FICCI) Real Estate Committee.

Dr. Pritam Singh, 68 years, is an Independent Director of our Company since January 16, 2008. He holds a Masters degree in Commerce from Benares Hindu University, a Masters degree in Business Administration from Indiana University, Bloomington, Indiana, USA and a PhD from Benares Hindu University. Dr. Singh is the author of seven academically reputed books and published over 50 research papers. During his tenure as director he developed, for Indian Institute of Management at Lucknow and Management Development Institute, collaborations across the world and signed several MoUs with American, European, Australian and Asian Management Schools. Currently he is on the board of The Delhi Stock Exchange Limited, Hero Honda Motors Limited, Dish T. V. India Limited, Parsvnath Developers Limited, Dena Bank and also a member on the local board of the Reserve Bank of India. He has been conferred the Padma Shri in 2003 and has been also conferred many prestigious management awards such as UP Ratna Award (2001) and Best Director Award of Indian Management Schools (1998).

Mr. Pirojsha A. Godrej, 29 years, is an Executive Director of our Company since November 1, 2008. He holds a Bachelors Degree in Economics from the Wharton School at the University of Pennsylvania, a Masters in International Affairs from Columbia University's School of International and Public Affairs, and a Masters in Business Administration from Columbia Business School. He also serves on the Board of Godrej Realty Private Limited, Godrej Waterside Properties Private Limited and Godrej Developers Private Limited.

Mr. S. Narayan, 66 years, has been an independent director of our Company since October 25, 2008. He holds Masters in Business Administration from the University of South Australia, MPhil in Economics from the University of Cambridge and PhD from the Indian Institute of Technology (New Delhi). He has experience of over 40 years in public services in various capacities in both State and Central Governments, in development administration. During the period 2003-2004, he was an Economic Adviser to the Prime Minister of India and was responsible for implementation of economic policies of several economic Ministries including Finance, Trade and Commerce, Energy and Infrastructure. He is on the board of directors of several companies some of them are Apollo Tyres Limited, Dabur India Limited and Seshasayee Papers & Board Limited.

Relationship between our Directors

The details of relationship between our Directors are as follows:

S. No	Name of the Director	Related to	Nature of Relationship
1.	Mr. Adi. B. Godrej	Mr. Jamshyd N. Godrej	Brother
		Mr. Nadir B. Godrej	Brother
		Mrs. Parmeshwar A. Godrej	Husband
		Mr. Pirojsha A. Godrej	Father
2.	Mr. Jamshyd N. Godrej	Mr. Adi. B. Godrej	Brother
		Mr. Nadir B. Godrej	Brother
		Mrs. Parmeshwar A. Godrej	Brother-in-law
		Mr. Pirojsha A. Godrej	Nephew
3.	Mr. Nadir B. Godrej	Mr. Adi. B. Godrej	Brother
		Mr. Jamshyd N. Godrej	Brother
		Mrs. Parmeshwar A. Godrej	Brother-in-law
		Mr. Pirojsha A. Godrej	Nephew
4.	Mrs. Parmeshwar A. Godrej	Mr. Adi. B. Godrej	Wife
		Mr. Jamshyd N. Godrej	Sister-in-law
		Mr. Nadir B. Godrej	Sister-in-law
		Mr. Pirojsha A. Godrej	Mother
5.	Mr. Pirojsha A. Godrej	Mr. Adi. B. Godrej	Son
		Mrs. Parmeshwar A. Godrej	Son
		Mr. Jamshyd N. Godrej	Nephew
		Mr. Nadir B. Godrej	Nephew

Borrowing Powers of our Board

In terms of the Articles of Association, the Board may, from time to time, at its discretion raise or borrow any sum or sums of money for the purposes of the Company and subject to the provisions of the Companies Act may secure payment or repayment of the same in such manner and terms as prescribed by the Board of Directors, in particular by issue of bonds, debentures or debenture-stock of the Company either secured or unsecured by a mortgage or charge over all or any of the property of the Company including its uncalled capital for the time being, and debenture-stock bonds and other securities may be made assignable free from any equities between the Company and the person to whom the same may be issued.

Pursuant to a resolution passed by the shareholders at the EGM dated November 16, 2007 in accordance with the provisions of the Companies Act, 1956, the Board has been authorized to borrow moneys (apart from temporary loans obtained from the bankers of the Company in ordinary course of business), from time to time, for the purpose of Company's business upto an aggregate amount of Rs. 1,500 Crores.

Pursuant to resolution passed by the shareholders at the EGM dated November 16, 2007, the Company has accorded its consent to the Board of Directors to mortgage and/or create charge in addition to the mortgages/charges created/to be created by the Company, in such form and manner and with such ranking and at such time and on such terms as the Board may determine. The charge/mortgage may be created on all or any of the movable and/or immovable properties of the Company, both present and future and/or the whole or any part of the undertaking(s) of the Company to or in favour of the lender(s), agent(s), trustee(s) or any other person whomsoever participating in extending financial assistance for securing the borrowings of the Company.

Details of Appointment of the Managing Director and Executive Director

Name	Contract / Appointment Letter / Resolution	Term
Mr. Milind S. Korde	The Board of Directors in their meeting held on January 10, 2009 and the shareholders in their meeting held on July 27, 2009 reappointed Mr. Milind S. Korde as Managing Director of the Company for a period of three years with effect from April 1, 2009.	April 1, 2009 to March 31, 2012

Mr. Pirojsha A. Godrej	The Board of Directors in their meeting held on October 25, 2008 and the shareholders in their meeting held on January 10, 2009 appointed Mr. Pirojsha A. Godrej as the Executive Director of the Company for a period of three years with effect from November 1, 2008.	November 1, 2008 to October 31, 2011
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Details of Remuneration of the Directors

Managing Director:

The Board of Directors of the Company at their meeting held on October 24, 2009 revised the remuneration of Mr. Milind S. Korde with effect from October 1, 2009. Mr. Milind S. Korde is entitled to receive the following remuneration:-

I. Fixed Compensation:

Fixed Compensation shall include Basic Salary and the Company's Contribution to Provident Fund and Gratuity Fund.

The Basic Salary is Rs.5,03,200 per month payable monthly. The Annual Basic Salary and increments will be decided by the Remuneration Committee/Board of Directors depending on the performance of the Managing Director, the profitability of the Company and other relevant factors.

II. Performance Linked Variable Remuneration (PLVR)

Performance Linked Variable Remuneration according to the Scheme of the Company for each of the financial years as may be decided by the Remuneration Committee/Board of Directors of the Company based on Economic Value Added in the business and other relevant factors and having regard to the performance of the Managing Director for each year.

The target collective component of PLVR is Rs. 27,00,000

The target individual component of PLVR is Rs. 3,50,000

III. Flexible Compensation:

In addition to the Fixed Compensation and PLVR, the Managing Director will be entitled to the following allowances, perquisites, benefits, facilities and amenities as per rules of the Company and subject to the relevant provisions of the Companies Act, 1956 (collectively called "perquisites and allowances").

These perquisites and allowances shall be granted to the Managing Director as per the rules of the Company and in the manner as the Board may decide.

- i. Housing i.e. unfurnished residential accommodation and House Rent Allowance at applicable rate as per Company's rules OR House Rent Allowance as per Company's rules;
- ii. Furnishing at residence;
- iii. Supplementary Allowance;
- iv. Leave Travel Assistance;

- v. Payment/reimbursement of medical expenses for self and family;
- vi. Payment/reimbursement of Food Vouchers, petrol reimbursement;
- vii. Company cars with driver for official use, provision of telephone(s) at residence;
- viii. Payment/reimbursement of telephone expenses;
- ix. Housing Loan, Contingency Loan as per rules of the company. These loans shall be subject to Central Government approval, if any;
- x. Earned/privilege leave, on full pay and allowance, not exceeding 30 days in a financial year. Encashment/accumulation of leave will be permissible in accordance with the Rules specified by the Company. Casual/Sick leave as per the rules of the Company;
- xi. Such other perquisites and allowances as per the policy/rules of the Company in force and/or as may be approved by the Remuneration Committee/Board from time to time.

The maximum cost to the Company per annum for the grant of the perquisites and allowances listed above for the Managing Director is Rs.39,40,000 plus 85% of the annual basic salary. In addition to the above, the Managing Director will be eligible for encashment of leave, club facilities, group insurance cover, group hospitalisation cover, and/ or any other allowances, perquisites and facilities as per the Rules of the Company.

Explanation :

- i) For the Leave Travel Assistance and reimbursement of medical and hospitalisation expenses, 'family' means the spouse and dependent children and dependent parents.
- ii) Perquisites shall be evaluated at actual cost or if the cost is not ascertainable the same shall be valued as per Income Tax Rules.

IV. Overall Remuneration

The aggregate of salary and perquisites as specified above or paid additionally in accordance with the rules of the Company in any financial year, which the Board in its absolute discretion pay to the Managing Director from time to time, shall not exceed the limits prescribed from time to time under Section 198, 269, 309 and other applicable provisions of the Companies Act, 1956 read with Schedule XIII to the said Act as may for the time being in force.

Details of Appointment of the Executive Director:

Mr. Pirojsha A.Godrej is entitled to receive the following remuneration:

a) Fixed Compensation:

Fixed compensation shall include basic salary and the Company's contribution to provident fund and gratuity fund, the aggregate of such salary and contributions should not exceed Rs.3,00,000 per month. However, Mr. Pirojsha Godrej will be entitled to such annual increments/increases from time to time in fixed compensation, as may be decided by the Remuneration Committee/Board of Directors as per the limits stipulated in Sections 198 and 309 read with Schedule XIII to the Companies Act, 1956.

b) Performance Linked Variable Remuneration

Performance Linked Variable Remuneration shall be payable according to the scheme of the Company for each of the financial years as may be decided by the Remuneration Committee/Board of Directors provided such remuneration during his tenure shall be within the limits as stipulated in Sections 198 and 309 read with Schedule XIII to the Companies Act, 1956.

c) Flexible Compensation:

In addition to the fixed compensation and performance linked variable remuneration, Mr. Pirojsha Godrej is entitled to allowances, perquisites, benefits, facilities and amenities upto a maximum of Rs. 3,10,000 per month. This will include reimbursement of all medical expenses for self and family and leave and leave travel concession as per the rules of the Company in this behalf. In addition to it, he will also be entitled to Company's leased accommodation, Company's maintained car and reimbursement of hospitalization expenses for self and family as per the rules of the Company. However, Mr. Pirojsha Godrej will be entitled to such annual increments/increases from time to time in flexible compensation, as may be decided by the Remuneration Committee/Board of Directors as per the limits stipulated in Sections 198 and 309 read with Schedule XIII to the Companies Act, 1956.

d) Other Reimbursements:

Mr. Pirojsha Godrej will also be entitled for the reimbursement of actual entertainment, traveling, boarding and lodging expenses incurred by him in connection with the Company's business and such other benefits/amenities and other privileges, as any from time to time, is available to other Senior Executives of the Company.

e) Minimum Remuneration:

Where in any financial year, during the currency of tenure of Mr. Pirojsha Godrej as Executive Director, the Company has no profits or its profits are inadequate, Mr. Pirojsha Godrej shall be entitled to remuneration by way of salary, allowances and perquisites not exceeding the limits specified in Schedule XIII of the Companies Act, 1956.

f) Overall Remuneration

The aggregate of salary, allowances and perquisites as specified above or paid additionally in accordance with the rules of the Company in any financial year, which the Remuneration Committee/Board of Directors decides from time to time. It shall not exceed the limits prescribed from time to time under Sections 198, 269, 309 and other applicable provisions of the Companies Act, 1956 read with Schedule XIII to the said Act as may for the time being, be in force.

Other Directors:

The Company pays its non-whole time Directors sitting fees of Rs. 20,000 for every meeting of its Board, and Rs. 5,000 for attending meeting of the committees of the Board, as authorised by Board resolution dated January 16, 2008.

The Board of Directors pursuant to a resolution passed in its meeting held on January 16, 2008 has approved payment of a commission of Rs. 500,000 per annum and out of pocket expenses (including travel expenses) to each of the Non-Executive Directors, subject to the approval of the shareholders.

Except the Managing Director and the Executive Director who are entitled to statutory benefits upon termination of their employment in the Company, no other Director is entitled to any benefit upon termination of their employment with the Company.

Corporate Governance

We have complied with the requirements of the applicable regulations, including the listing agreement to be entered in to with the Stock Exchanges and the SEBI Regulations, in respect of corporate governance including constitution of the Board and Committees thereof. The corporate governance framework is based on an effective independent Board, separation of the Board's supervisory role from the executive management team and constitution of the Board Committees, as required under law.

We have a Board constituted in compliance with the Companies Act and listing agreement to be entered in to with the Stock Exchanges and in accordance with best practices in corporate governance. The Board functions either as a full Board or through various committees constituted to oversee specific operational areas. Our executive management provides the Board detailed reports on its performance periodically.

Currently, the Board of Directors has 12 Directors and the Chairman of the Board of Directors is a Non-Executive Director. In compliance with Clause 49 of the equity listing agreement, our Board has two Executive Directors and 10 non-executive Directors, including six independent Directors.

Committees of the Board of Directors

A) Audit Committee : -

- 1) Mr. K.B. Dadiseth, Independent Director;
- 2) Mrs. Lalita D. Gupte, Independent Director;
- 3) Mr. Pranay Vakil, Independent Director;
- 4) Dr. Pritam Singh, Independent Director;
- 5) Mr. Amit B. Choudhury, Independent Director; and
- 6) Mr. S. Narayan, Independent Director

The Chairman of the Audit Committee is Mr. Keki B. Dadiseth. The Company Secretary, Mr. Shodhan A. Kembhavi, is the secretary of the Audit Committee.

The Audit Committee was re-constituted by a meeting of the Board held on January 10, 2009. The scope and function of the Audit Committee is in accordance with Section 292A of the Companies Act and Clause 49 of the Listing Agreement and its terms of reference include the following:

1. Overseeing the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
2. Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees.
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
4. Reviewing, with the management, the annual financial statements before submission to the Board for approval, with particular reference to:
 - a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (2AA) of section 217 of the Companies Act, 1956,
 - b. Changes, if any, in accounting policies and practices and reasons for the same,
 - c. Major accounting entries involving estimates based on the exercise of judgment by management,
 - d. Significant adjustments made in the financial statements arising out of audit findings,
 - e. Compliance with listing and other legal requirements relating to financial statements,
 - f. Disclosure of any related party transactions, and
 - g. Qualifications in the draft audit report.
5. Reviewing, with the management, the quarterly financial statements before submission to the board for approval.

6. Reviewing, with the management, performance of statutory and internal auditors, and adequacy of the internal control systems.
7. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
8. Reviewing, with the management, the statement of uses/application of funds raised through an issue (public issue/rights issue/preferential issue, etc.), the statement of funds utilised for purposes other than those stated in the offer document/prospectus/ notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board of Directors to take up steps in this matter.
9. Discussion with internal auditors any significant findings and follow up there on.
10. 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.
11. 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.
12. 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.
13. To review the functioning of the Whistle Blower mechanism, in case the same is existing.
14. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

Review of information by Audit Committee

- a. Management discussion and analysis of financial condition and results of operations;
- b. Statement of significant related party transactions (as defined by the audit committee), submitted by management;
- c. Management letters / letters of internal control weaknesses issued by the statutory auditors;
- d. Internal audit reports relating to internal control weaknesses; and
- e. The appointment, removal and terms of remuneration of the Chief internal Auditor shall be subject to review by the Audit Committee.

B) Remuneration Committee: -

- 1) Mrs. Lalita D. Gupte, Independent Director;
- 2) Mr. K.B. Dadiseth, Independent Director;
- 3) Mr. Pranay Vakil, Independent Director;
- 4) Dr. Pritam Singh, Independent Director;
- 5) Mr. Amit B. Choudhury, Independent Director; and
- 6) Mr. S. Narayan, Independent Director

The Chairperson of the Remuneration Committee is Mrs. Lalita D. Gupte. The Company Secretary, Mr. Shodhan A. Kembhavi, is the secretary of the Remuneration Committee.

The Remuneration Committee was reconstituted by a meeting of the Board of Directors held on January 10, 2009. This committee looks in all matters pertaining to remuneration of the Managing Director, the Non-Executive Director and administration of the Company's Employee Stock Option Plan.

C) Investors' Grievance cum Share Transfer Committee

The members of the Investors' Grievance cum Share Transfer Committee are:

1. Mr. Adi B. Godrej, Chairman;
2. Mr. Milind S. Korde, Managing Director; and
3. Mr. Amit Choudhury, Independent Director.

The Chairman of the Investors' Grievance cum Share Transfer Committee is Mr. Adi B. Godrej. The Company Secretary, Mr. Shodhan A. Kembhavi, is the secretary of the Investors' Grievance cum Share Transfer Committee.

The Investors' Grievance cum Share Transfer Committee was re-constituted by a meeting of the Board of Directors held on October 24, 2009. This committee is responsible for redressal of shareholders' and investors' complaints relating to transfer of shares, issue of duplicate/consolidated share certificates, allotment and listing of shares, review of cases for refusal of transfer/transmission of shares and debentures, non-receipt of balance sheet, and non-receipt of dividends declared etc. It is also responsible for reviewing the process and mechanism of redressal of investor complaints and suggesting measures of improving the existing system of redressal of investor grievances. This committee is also responsible for approval of transfer of shares including power to delegate the same to registrar and transfer agents.

Changes in our Board of Directors in the last three years

The changes in the Board of Directors in the last three years are as follows:

Name of Director	Date	Reason
Mrs. Pheroza J. Godrej	January 16, 2008	Cessation
Mrs. Smita V. Crishna	January 16, 2008	Cessation
Mr. R. K. Naoroji	January 16, 2008	Cessation
Mr. Keki B. Dadiseth	January 16, 2008	Appointment
Mrs. Lalita D. Gupte	January 16, 2008	Appointment
Mr. Pranay Vakil	January 16, 2008	Appointment
Dr. Pritam Singh	January 16, 2008	Appointment
Mr. Pirojsha A. Godrej	October 25, 2008	Appointment
Mr. S. Narayan	October 25, 2008	Appointment

Shareholding of Directors in the Company

The following table details the shareholding of the Directors in our Company in their personal capacity:

Name of Directors	Number of Equity Shares (Pre-Issue)	Number of options granted
Mr. Nadir B. Godrej	1,730,250	-
Mr. Milind S. Korde	10,000	60,000
Mrs. Lalita D. Gupte	7,000	-
Mr. Pranay Vakil	8,000	-
Dr. Pritam Singh	1,000	-
Mr. Amit B. Choudhary	1,500	-

Name of Directors	Number of Equity Shares (Pre-Issue)	Number of options granted
Mr. Pirojsha A. Godrej	576,747	-

Interests of Directors

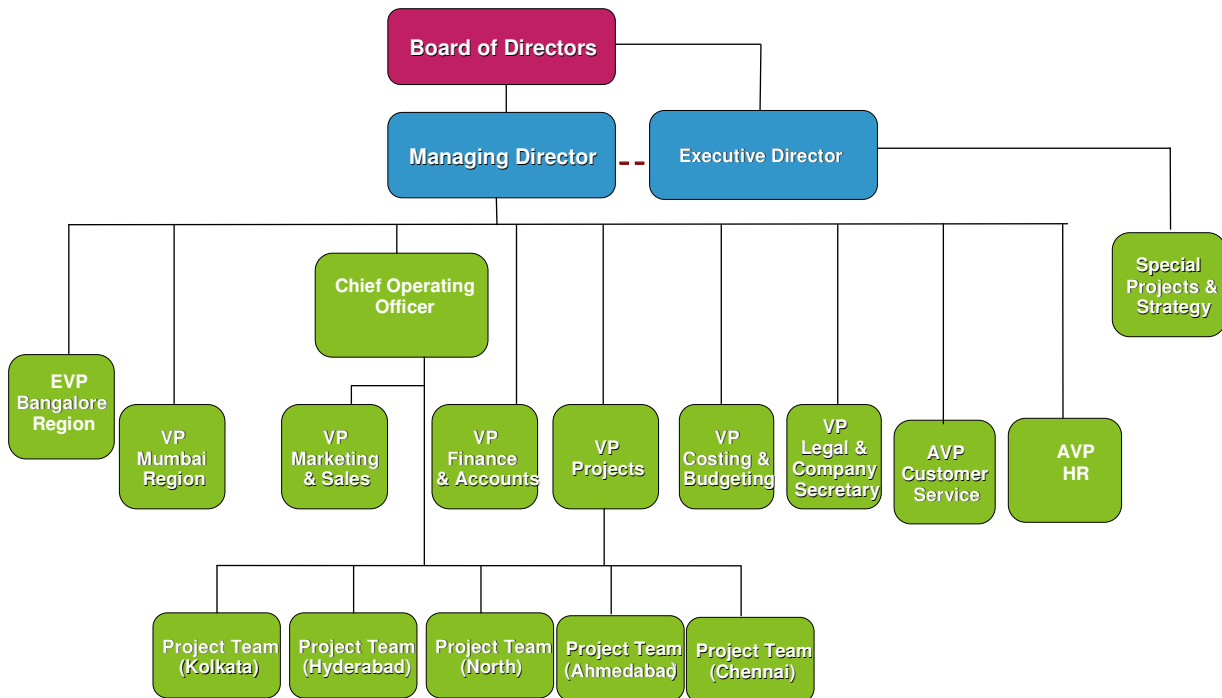
All of our Directors may be deemed to be interested to the extent of fees payable to them, if any, for attending meetings of the Board or a committee thereof as well as to the extent of commission and/or other remuneration and reimbursement of expenses payable to them, if any, under our Articles of Association, and to the extent of remuneration paid to them, if any, for services rendered as an officer or employee of our Company.

Our Directors may also be regarded as interested in the Equity Shares, if any, held by them or by the companies/firms/ventures promoted by them or that may be subscribed by or allotted to the companies, firms, trusts, in which they are interested as Directors, members, partners, trustees and Promoters, pursuant to this Issue. All of our Directors may also be deemed to be interested to the extent of any dividend payable to them and other distributors in respect of the said Equity Shares. The Directors may also be interested to the extent of the options of the Company held by them.

Our Directors have no interest in any property acquired by our Company within two years of the date of this Prospectus. Our directors are also interested in the loans or advances given by the Company, in the ordinary course of business to the companies in which they are interested as a Director.

Except as stated in the section titled “Related Party Transactions” beginning on page 181 of this Prospectus, the Directors do not have other interest in the business of the Company.

Management Organisation Structure



Key Management Personnel

The details regarding our Key Management Personnel are as follows:

Mr. K. T. Jithendran, aged 42 years, Indian, is a Chief Operating Officer and heads the business development, marketing and sales functions of our Company. He is a civil engineer from the Indian Institute of Technology and has also completed his Post Graduate Diploma in Management from the Indian Institute of Management (IIM). He began his career with Metallurgical Engineering Consultants and joined our Company in 1994. He has over 15 years of experience in real estate business and has handled various functions of marketing, sales and human resources. During the fiscal 2009, Mr. K. T. Jithendran was paid a gross compensation of Rs. 1.10 Crores.

Mr. K. P. Sudheer, aged 35 years, Indian, is a Vice President of our Company and heads the Mumbai region. He is a mechanical engineer from Anna University with post graduate diploma in management from Xavier's Institute of Management Studies. He began his career with Hindustan Motors in 1995. He was an employee of our Company from the year 2000 to 2005 and later again joined our Company in 2006. He has over 9 years of experience in the field of marketing. During the fiscal 2009, Mr. K. P. Sudheer was paid a gross compensation of Rs. 0.73 Crores.

Mr. Nishikant Shimpi, aged 42 years, Indian, is an Executive Vice President of our Company and heads the Bangalore region. He is a civil engineer from Shri Guru Gobind Singhji College of Engineering, Nanded with a post graduate specialization in the field of marketing from Sydneham Institute of Management Studies and has 17 years of experience in diverse areas, including an overseas stint. He was an employee of our Company from the year 1992 to 2001 and later again joined our Company in 2005. During the fiscal 2009, Mr. Nishikant Shimpi was paid a gross compensation of Rs. 0.69 Crores.

Mr. Nitin Wagle, aged 52 years, Indian, is a Vice President and heads the costing and budgeting department of our Company. He is a civil engineer from Victoria Jubilee Technical Institute, Mumbai University and has over 28 years of experience in the field of executing several large projects. He began his career with Larsen & Toubro Engineering Construction Corporation division and joined our Company in 1992. During the fiscal 2009, Mr. Nitin Wagle was paid a gross compensation of Rs. 0.52 Crores.

Mr. Shodhan A. Kembhavi, aged 50 years, Indian, is a Vice President and heads the legal and secretarial functions of our Company. He is member of Institute of Company Secretaries of India and a law graduate from Mumbai University. He joined our Company in the year 2000 and has more than 17 years of experience in the field of legal and company secretarial matters. His previous assignments were with Premier Automobiles Limited, Standard Batteries, Bajaj Hindustan and Leela Hotels. During the fiscal 2009, Mr. Shodhan Kembhavi was paid a gross compensation of Rs. 0.55 Crores.

Mr. Rajendra Khetawat, aged 37 years, Indian, is a Vice President and heads the finance and accounts function of our Company. He was previously employed with K. Raheja Constructions, Mumbai for 5 years before joining our Company in 2003. He is a Chartered Accountant and has over 12 years of experience in the field of audit, accounts, tax, financial and treasury management. During the fiscal 2009, Mr. Rajendra Khetawat was paid a gross compensation of Rs. 0.53 Crores.

Mr. Santosh Tamhane, aged 46 years, Indian, is a Vice President and is in charge of operations of our Company. He is a Civil Engineer from Sardar Patel College of Engineering and has 25 years of experience in the field of project execution with Tata Housing Development Company. He joined our Company in 2006. During the fiscal 2009, Mr. Santosh Tamhane was paid a gross compensation of Rs. 0.58 Crores.

Ms. Krishnakoli S. Kumar, aged 40 years, Indian, is a Vice President and heads the Marketing and Sales function. She is an engineer with an MBA from Wharton. She has more than 17 years of experience in a variety of functions in diverse industries. She joined Godrej Industries Limited in 2004 in the corporate planning division and joined our Company in 2007. During the fiscal 2009, Ms. Krishnakoli Kumar was paid a gross compensation of Rs. 0.44 Crores.

Ms. Aylona D'Souza, aged 32 years, Indian, is an Associate Vice President and heads the HR function of our Company. She holds a Bachelors degree in Science from Goa University and Post Graduate Diploma in Business Administration from Institute for Technology and Management, Mumbai. She has over 9 years of experience in HR. She was previously employed with Nicholas Piramal India Limited and Darashaw & Company Private Limited. She joined our Company in 2004. During the fiscal 2009, Ms. Aylona D'Souza was paid a gross compensation of Rs. 0.34 Crores.

All our Key Management Personnel as disclosed above are permanent employees of our Company. None of the key management personnel are related to each other.

Shareholding of the Key Management Personnel

Name	No. of Shares held
Mr. Milind S. Korde	10,000
Mr. K. T. Jithendran	2,000
Mr. K. P. Sudheer	300
Mr. Nitin Wagle	300
Mr. Rajendra Khetawat	300
Mr. Shodhan A. Kembhavi	400
Mr. Santosh Tamhane	300
Ms. Aylona D'Souza	100

Bonus or Profit Sharing Plan for our Key Management Personnel

The Performance Linked Variable Remuneration paid to the Key Management Personnel by the Company for fiscal 2009 are as follows:

Name	Collective (in Rs.)*	Individual (in Rs.)**
Mr. K. T. Jithendran	2,701,455	200,000
Mr. K. P. Sudheer	163,090	77,500
Mr. Nishikant Shimpi	732,766	150,000
Mr. Nitin M. Wagle	1,088,330	150,000
Mr. Shodhan Kembhavi	1,073,941	150,000
Mr. Rajendra Khetawat	964,725	150,000
Mr. Santosh Tamhane	142,651	150,000
Ms. Krishnakoli S. Kumar	344,988	120,000
Ms. Aylona D'Souza	547,520	115,000

* "Collective" denotes the Performance Linked Variable Remuneration payable with regard to the performance of the Company

** "Individual" denotes the Performance Linked Variable Remuneration payable with regard to the performance of the Individual Key Management Personnel

Changes in Key Management Personnel

The changes in the Key Management Personnel in the last three years are as follows:

Name	Designation as of the date of their appointment/Cessation	Date of appointment	Date of cessation
Mr. Milind Pathare	Vice President – Business Development	-	June 2, 2006
Mr. Santosh Tamhane	General Manager (Projects)	July 3, 2006	-
Mr. K. P. Sudheer	General Manager (Marketing and Sales)	July 3, 2006	-

Name		Designation as of the date of their appointment/Cessation	Date of appointment	Date of cessation
Ms. Krishnakoli S. Kumar		Associate Vice President	April 1, 2007	-

Employees Stock Option Plan

For details of employee stock option plan see the section titled “Capital Structure” on page 28 of this Prospectus.

Payment or Benefit to officers of the Company

Except as stated otherwise in this Prospectus, no non-salary amount or benefit has been paid or given or is intended to be paid or given to any of the Company’s employees including the Key Management Personnel and our Directors. Except as disclosed in this Prospectus, none of the beneficiaries of loans, and advances and sundry debtors are related to the Directors of the Company.

OUR PROMOTERS AND PROMOTER GROUP

The promoters of our Company are:

1. Godrej & Boyce Manufacturing Company Limited; and
2. Godrej Industries Limited

1. Godrej & Boyce Manufacturing Company Limited

Godrej & Boyce Manufacturing Company Limited was incorporated on March 3, 1932 as a limited liability company under the Indian Companies Act, 1913. Godrej & Boyce Manufacturing Company Limited is involved in the business of manufacturing and/or marketing of various consumer durables, office equipment and industrial products.

The registered office of Godrej & Boyce Manufacturing Company Limited is located at Pirojshanagar, Vikhroli, Mumbai – 400 079.

The promoters of Godrej & Boyce Manufacturing Company Limited are as follows:

1. Ms. Tanya A. Dubash
2. Mr. Adi B. Godrej
3. Ms. Nisaba A. Godrej
4. Mr. Pirojsha A. Godrej
5. Mrs. Parmeshwar A. Godrej
6. Mr. Nadir B. Godrej
7. Ms. Nyrika V. Crishna
8. Mrs. Smita V Crishna
9. Ms. Raika J Godrej
10. Mr. Navroze J. Godrej
11. Ms. Freyan V. Crishna
12. Godrej Investment Private Limited

The shareholding pattern of Godrej & Boyce Manufacturing Company Limited as on October 31, 2009 is as follows:

No.	Name of Shareholder	No. of Shares Held	% of shareholding
1.	T. A. Dubash and Mr. A. B. Godrej	9,609	1.45%
2.	T.A. Dubash/ Mrs. P.A. Godrej	7	0.00%
3.	N.A. Godrej and A.B. Godrej	9,609	1.45%
4.	N.A. Godrej/ Mrs. P.A. Godrej/ A.B. Godrej	7	0.00%
5.	P.A. Godrej and A. B. Godrej	9,616	1.45%
6.	A.B. Godrej	32,240	4.86%
7.	Mrs. P.A. Godrej and A.B. Godrej	4,506	0.68%
8.	N.B. Godrej/ R.N. Godrej	53	0.01%
9.	N.B. Godrej	66,540	9.89%
10.	N.V. Crishna and S.V.Crishna	15,114	2.28%
11.	F.V. Crishna and S.V. Crishna	15,113	2.28%
12.	F.V. Crishna/ S.V. Crishna/ V.M. Crishna	10	0.00%
13.	N.V. Crishna/ S.V. Crishna/ V.M. Crishna	10	0.00%
14.	V.M. Crishna/ S.V. Crishna	13	0.00%
15.	S.V. Crishna/ V.M. Crishna	20	0.00%
16.	S.V. Crishna	35,313	5.33%
17.	R.J. Godrej and J.N.Godrej	16,411	2.48%

No.	Name of Shareholder	No. of Shares Held	% of shareholding
18.	R.J. Godrej/ Mrs. P.J. Godrej/ J.N. Godrej	10	0.00%
19.	N.J. Godrej and J.N.Godrej	16,412	2.48%
20.	N.J. Godrej/ Mrs. P.J. Godrej/ J.N. Godrej	10	0.00%
21.	Mrs. P.J. Godrej/ J.N. Godrej	33	0.00%
22.	J.N. Godrej	32,717	4.94%
23.	R.K. Naoroji and N.B.Godrej	16,385	2.47%
24.	R.K. Naoroji and J.N.Godrej	16,385	2.48%
25.	R.K. Naoroji/ J.N. Godrej/ A.B. Godrej	54	0.01%
26.	R.K. Naoroji and S.V. Crishna	16,385	2.47%
27.	R.K. Naoroji and A.B. Godrej	16,385	2.47%
28.	Mr. A. F. Golwalla, Mr. N. D. Sidhva, Mr. H. P. Daruwalla and Mr. P. D. Lam (Trustees, Pirojsha Godrej Foundation)	1,57,500	23.76%
29.	Godrej Investments Private Limited	1,77,432	26.77%
30.	Surveyors and Company Private Limited	11	0.00%
Total		6,62,910	100%

Board of Directors

The board of directors of Godrej & Boyce Manufacturing Company Limited is as follows:

- 1) Mr. Jamshyd N. Godrej
- 2) Mr. Adi B. Godrej
- 3) Mr. Nadir B. Godrej
- 4) Mr. Vijay M. Crishna
- 5) Mr. Kavas N. Petigara
- 6) Mr. Behram A. Hathikhanavala
- 7) Mr. Fali P. Sarkari
- 8) Mr. Phiroze D. Lam
- 9) Mr. Kyamas A. Palia
- 10) Mr. Pradip P. Shah
- 11) Ms. Anita Ramachandran
- 12) Mr. Anil G. Verma

The summary audited financial statements for the last three financial years are as follows:

(Rs. in Crores except per share data)			
Particulars	Fiscal 2009	Fiscal 2008	Fiscal 2007
Equity Capital	6.63	6.63	6.63
Reserves & Surplus (Excluding Revaluation Reserve)	903.11	680.19	554.98
Total Income	4,191.32	3,571.36	2,843.09
Profit / (Loss) After Tax	241.44	171.73	109.76
Earning Per Share	3,642.00	2,592.00	1,656.00
Book Value per Share (Net Asset Value)	63,226.00	53,896.00	42,905.00

There has been no change in the management of Godrej & Boyce Manufacturing Company Limited. The company has not made any public or rights issue in the last three years and there has been no change in the capital structure of the company in the last six months. The company has not become a sick company under the meaning of the Sick Industrial Companies (Special Provisions) Act, 1985, as amended nor is the company under winding up. Further, Godrej & Boyce Manufacturing Company Limited has confirmed that it has not been detained as a wilful defaulter by the RBI or any other

governmental authority and there are no violations of securities laws committed by it in the past or are pending against it, except as disclosed in the section titled “Outstanding Litigation and Material Development” on page 314 of this Prospectus.

We confirm that the permanent account number, bank account number, company identification number and address of the RoC where Godrej & Boyce Manufacturing Company Limited is registered has been submitted to the BSE and the NSE at the time of filing of the Draft Red Herring Prospectus with them.

Companies with which Godrej & Boyce Manufacturing Company Limited has disassociated in the last three years:

Godrej & Boyce Manufacturing Company Limited has disassociated itself with:

Godrej ConsumerBiz Limited

The Bombay High Court has approved the amalgamation of Godrej ConsumerBiz Limited (“GCBL”), a wholly-owned subsidiary of Godrej & Boyce Manufacturing Company Limited with Godrej Consumer Products Limited, with effect from October 8, 2009. Hence GCBL is no more a subsidiary of Godrej & Boyce Manufacturing Company Limited.

Interests of Godrej & Boyce Manufacturing Company Limited in the Company

Godrej & Boyce Manufacturing Company Limited has acquired 690,000 Equity Shares of the Company from Godrej Industries Limited on December 31, 2008 at Rs. 622 per share.

Except as stated in “Related Party Transactions” on page 181 of this Prospectus, Godrej & Boyce Manufacturing Company Limited does not have any other interest in the Company’s business.

Godrej & Boyce Manufacturing Company Limited has entered into a memorandum of understanding dated October 8, 2009 with Godrej Industries Limited and our Company in relation to 36.5 acres of land owned by it and located at Vikhroli, Mumbai. For further details please see section titled “Our Business” on page 77 of the Prospectus. Godrej & Boyce Manufacturing Company Limited does not have any other interest in the property acquired by our Company within two years preceding the date of this Prospectus or proposed to be acquired by our Company except as otherwise disclosed in the Prospectus.

Common Pursuits

Godrej & Boyce Manufacturing Company Limited has a construction division which has undertaken development of properties in Vikhroli, Mumbai. However, this division of Godrej & Boyce Manufacturing Company Limited is not in any way connected with our Company. Except as disclosed in this Prospectus, Godrej & Boyce Manufacturing Company Limited do not have any interest in any venture that is involved in any activities similar to those conducted by the Company. The Company will adopt necessary procedures and practices as permitted by law to address any conflict situations as and when they arise.

2. Godrej Industries Limited

Godrej Industries Limited was incorporated on March 7, 1988 as Gujarat-Godrej Innovative Chemicals Limited (GGICL) in Gujarat. Godrej Industries Limited is involved in the business of manufacture and marketing of oleo- chemicals, their precursors and derivatives, bulk edible oils, estate management, and investments activities.

The erstwhile Godrej Soaps Limited was merged with GGICL with effect from April 1, 1994 and the name of GGICL was changed to Godrej Soaps Limited (GSL). The Registered office was shifted from

Gujarat to Maharashtra with effect from March 1, 1996.

Subsequently, under a scheme of arrangement, the consumer products division of the GSL was demerged with effect from April 1, 2001 into a separate company, Godrej Consumer Products Limited (GCPL) and GSL was renamed as Godrej Industries Limited, on April 2, 2001.

Further, the vegetable oils and processed foods manufacturing business of Godrej Foods Limited was transferred to the Godrej Industries Limited with effect from June 30, 2001. Thereafter, the foods division (except Wadala factory) was sold to Godrej Beverages and Foods Limited on March 31, 2006.

The registered office of Godrej Industries Limited is located at Pirojshanagar, Eastern Express Highway, Vikroli (East), Mumbai 400 079.

The promoters of Godrej Industries Limited are as follows:

1. Ms. Tanya A. Dubash
2. Mr. Adi B. Godrej
3. Master Burjis Nadir Godrej
4. Mr. Pirojsha A. Godrej
5. Ms. Nisaba A. Godrej
6. Mr. Nadir B. Godrej
7. Ms. Nyrika V. Crishna
8. Ms. Rati Nadir Godrej
9. Ms. Raika J. Godrej
10. Mr. Navroze J. Godrej
11. Ms. Freyan V. Crishna
12. Godrej & Boyce Manufacturing Company Limited
13. Mr. Rishad K. Naoroji
14. Master Sohrab Nadir Godrej

Shareholding Pattern of Godrej Industries Limited as on October 31, 2009 is as follows:

	Category of shareholder	Number of shareholders	Number of Shares	Number of Shares held in dematerialized form	Total shareholding as a % of total number of Shares		Shares pledged or otherwise encumbered	
					As a % of (A+B)	As a % of (A+B+C)	Number of Shares	As a % of total number of Shares
(A)	Shareholding of Promoter and Promoter Group							
(1)	Indian							
(a)	Individuals/ Hindu Undivided Family	12	6,40,31,786	6,40,31,750	20.16	20.16	-	-
	Any other (specify)						-	-
	Corporate	1	18,72,02,388	18,72,02,388	58.94	58.94	-	-
	Sub Total (A) (1)	13	25,12,34,174	25,12,34,138	79.10	79.10	-	-
(2)	Foreign	0	0	0	0	0	-	-
	Sub Total (A) (2)	0	0	0	0	0	-	-
	Total Shareholding of Promoter and Promoter Group (A) = (A) (1) + (A) (2)	13	25,12,34,174	25,12,34,138	79.10	79.10	-	-
(B)	Public shareholding							

	Category of shareholder	Number of shareholders	Number of Shares	Number of Shares held in dematerialized form	Total shareholding as a % of total number of Shares		Shares pledged or otherwise encumbered	
					As a % of (A+B)	As a % of (A+B+C)	Number of Shares	As a % of total number of Shares
(1)	Institutions							
(a)	Mutual Funds/ UTI	5	3,83,642	3,83,642	0.12	0.12	-	-
(b)	Financial Institutions / Banks	11	1,38,30,463	1,38,25,393	4.35	4.35	-	-
(c)	Insurance Companies	2	3,80,599	3,80,599	0.12	0.12		
(d)	Foreign Institutional Investors	51	68,60,041	6,8,55,241	2.16	2.16	-	-
	Sub-Total (B)(1)	69	2,14,54,745	2,14,44,875	6.75	6.75	-	-
(2)	Non-institutions							
(a)	Bodies Corporate	1,375	1,20,35,327	1,20,26,864	3.79	3.79	-	-
(b)	Individuals							
	i. Individual shareholders holding nominal share capital up to Rs. 1 lakh	51,308	2,07,33,919	1,97,67,003	6.53	6.53	-	-
	ii. Individual shareholders holding nominal share capital in excess of Rs. 1 lakh.	22	1,10,23,594	1,10,23,594	3.47	3.47	-	-
(c)	Any Other (specify)						-	-
	Non Resident Indians/Overseas Corporate Bodies	1,161	11,43,133	10,84,993	0.36	0.36	-	-
	Sub-Total (B)(2)	53,866	4,49,35,973	4,39,02,454	14.15	14.15	-	-
(B)	Total Public Shareholding (B)= (B)(1)+(B)(2)	53,935	6,63,90,718	6,53,47,329	20.90	20.90	-	-
	TOTAL (A)+(B)	53,948	31,76,24,892	31,65,81,467	100.00	100.00	-	-
(C)	Shares held by Custodians and against which Depository Receipts have been issued	0	0	0	0	0	-	-
	GRAND TOTAL (A)+(B)+(C)	53,948	31,76,24,892	31,65,81,467	100.00	100.00	-	-

Board of Directors

The directors of Godrej Industries Limited, as on October 31, 2009 are as follows:

- 1) Mr. A. B. Godrej
- 2) Mr. J. N. Godrej
- 3) Mr. N. B. Godrej
- 4) Mr. S. A. Ahmadullah
- 5) Mr. V. M. Crishna
- 6) Mr. K. K. Dastur
- 7) Mr. V. N. Gogate
- 8) Mr. K. N. Petigara
- 9) Mr. F. P. Sarkari
- 10) Dr. N. D. Forbes
- 11) Mr. J. S. Bilimoria
- 12) Mr. A. B. Choudhury

- 13) Mr. V. F. Banaji
- 14) Ms. T. A. Dubash
- 15) Mr. M. Eipe
- 16) Mr. M. P. Pusalkar

The summary audited financial statements for the last three financial years are as follows:

(Rs. in Crores except per share data)			
Particulars	Fiscal 2009	Fiscal 2008	Fiscal 2007
Equity Capital	31.98	31.98	29.19
Reserves & Surplus (Excluding Revaluation Reserve)	981.05	1,009.73	363.17
Total Income	971.28	838.82	782.91
Profit / (Loss) After Tax	18.08	108.81	78.06
Earning Per Share	0.57	3.60	2.67
Book Value per Share (Net Asset Value)	51.94	47.86	31.46

Share Price Information

The Equity Shares of Godrej Industries Limited are listed on the NSE and the BSE.

The details of the highest and lowest price on the NSE during the preceding six months up to October 2009 are as follows:

Month	High (Rs.)	Low (Rs.)
May 2009	139.90	75.11
June 2009	154.00	118.25
July 2009	158.80	112.00
August 2009	189.40	138.45
September 2009	213.30	171.25
October 2009	217.60	175.60

Source: www.nse-india.com

The market capitalisation of Godrej Industries Limited as on the closing price of Rs. 179.05 per equity share on the NSE on October 30, 2009 was Rs. 5,687.07 Crores.

The details of the highest and lowest price on the BSE during the preceding six months upto October 2009 are as follows:

Month	High (Rs.)	Low (Rs.)
May 2009	139.75	75.30
June 2009	155.95	120.10
July 2009	158.45	112.00
August 2009	189.55	136.60
September 2009	213.70	174.00
October 2009	217.85	175.50

Source: www.bseindia.com

The market capitalisation of Godrej Industries Limited as on the closing price of Rs. 178.50 per equity share on the BSE on October 30, 2009 was Rs. 5,669.60 Crores.

Details of the last issue undertaken by Godrej Industries Limited:

Godrej Industries Limited has not made any public or rights issue in the last three years and there has

been no change in the capital structure in the last six months.

On November 20, 2007, Godrej Industries Limited allotted 27,906,950 Equity Shares of Re.1 each to QIBs by way of a qualified institutional placement. Consequently the paid up equity capital of the company has increased from Rs. 29.19 Crores to Rs. 31.98 Crores.

Pursuant to a resolution passed by the board of directors on July 29, 2008, Godrej Industries Limited bought back 2,133,710 Equity Shares through the methodology of 'Open market purchase through stock exchange'. The buyback offer was open from May 25, 2009 to July 29, 2009. Consequently the paid up capital of GIL reduced from 31.98 Crores to 31.76 Crores.

Godrej Industries Limited is not a sick company under the meaning of the Sick Industrial Companies (Special Provisions) Act, 1985, as amended nor is under winding up. Further, Godrej Industries Limited has confirmed that it has not been detained as wilful defaulter by the RBI or any other governmental authority and there are no violations of securities laws committed by it in the past or are pending against it.

Mechanism for redressal of investor grievance:

Godrej Industries Limited has constituted a Shareholders Committee to look into and redress Shareholders and Investor Complaints. Mr. V. Srinivasan, Executive Vice President (Finance and Estate) and Company Secretary is the compliance officer.

This committee looks into redressal of shareholder complaints regarding transfer of shares, non receipt of annual report and non receipt of declared dividends, as required in clause 49 of the Listing Agreement. Any investor grievance received has been resolved within reasonable time.

Number of complaints for the year ended March 31, 2009

Complaints outstanding as on April 1, 2008	Nil
Complaints received during the year ended March 31, 2009	43
Complaints resolved during the year ended March 31, 2009	43
Complaints outstanding as on March 31, 2009	Nil

We confirm that the permanent account number, bank account number, company identification number and address of the RoC where Godrej Industries Limited is registered has been submitted to the BSE and the NSE at the time of filing of the Draft Red Herring Prospectus with them.

Companies with which Godrej Industries Limited has disassociated in the last three years:

Godrej Industries Limited has disassociated itself with the following companies in the last three years:

1. Godrej Upstream Limited ("GUL")

Godrej Industries Limited earlier held 40% in the equity share capital of GUL. Godrej Industries Limited sold its entire shareholding in GUL to Lawkim Limited in the year 2008.

2. Godrej Global Solutions Limited ("GGSL")

GGSL was a subsidiary of Godrej Industries Limited. Godrej Industries Limited sold its entire shareholding aggregating 99.94% of the equity capital in GGSL to Tricom Limited in 2008.

Since Godrej Industries Limited sold its entire shareholding in GGSL it has ceased to be a subsidiary of Godrej Industries Limited.

3. Godrej Global Solutions (Cyprus) Limited (“GGS Cyprus”)

GGS Cyprus was a 100% subsidiary of GGSL. Since GGSL ceased to be a subsidiary of Godrej Industries Limited, GGS Cyprus also ceased to be a subsidiary of Godrej Industries Limited.

4. Godrej Global Solutions, Inc. (“GGS Inc”)

GGS Inc was a 100% subsidiary of GGSL. Since GGSL ceased to be a subsidiary of Godrej Industries Limited, GGS Inc also ceased to be a subsidiary of Godrej Industries Limited.

5. Godrej Hicare Limited (“GHCL”)

GHCL was a subsidiary of Godrej Industries Limited. Godrej Industries Limited sold its entire shareholding in GHCL to ISS Facility Services India Private Limited. Since Godrej Industries Limited sold its entire shareholding in GHCL, it ceased to be a subsidiary of Godrej Industries Limited.

6. Godrej Global Mid East FZE (“GGME”)

GGME was a subsidiary of Godrej International Limited (GInL) which is a subsidiary of Godrej Industries Limited. GInL sold its entire shareholding in GGME to Godrej Consumer Products Limited and hence it ceased to be a subsidiary of GInL and Godrej Industries Limited.

7. Godrej Hygiene Care Limited (“GHCL”)

GHCL was a 100% subsidiary of Godrej Industries Limited which has been merged into Godrej Consumer Products Limited by the order of the Honourable High Court Bombay dated October 8, 2009.

8. Godrej Sara Lee Limited (“GSL”)

GSL was a joint venture company of Godrej Industries Limited. Godrej Industries Limited sold its entire shareholding in GSL to Godrej Hygiene Care Limited. Since Godrej Industries Limited sold its entire shareholding in GSL, it ceased to be a joint venture company of Godrej Industries Limited.

Godrej Industries Limited has a portfolio of investments in various companies. The reason for such disassociation is only on account of Godrej Industries Limited withdrawing its investments in the disassociated companies.

Interests of Godrej Industries Limited in the Company

Except as stated in “Related Party Transactions” on page 181 of this Prospectus, and to the extent of shareholding in the Company, Godrej Industries Limited does not have any other interest in the Company’s business.

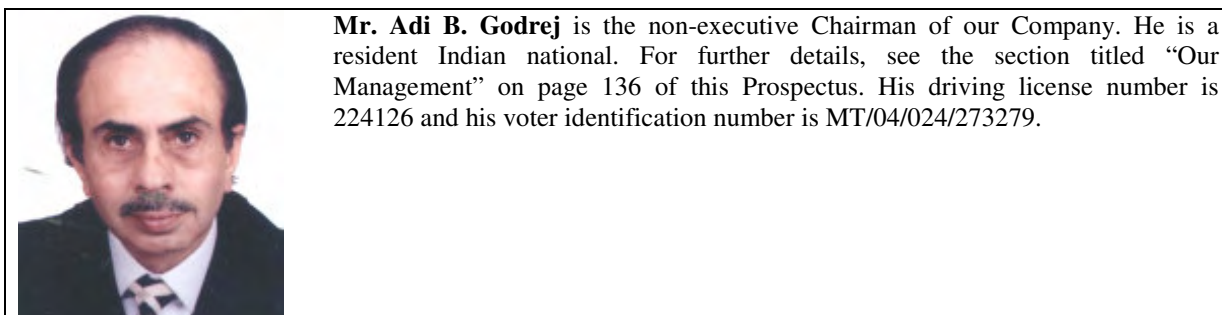
Godrej Industries Limited has entered into a memorandum of understanding dated October 8, 2009 with Godrej & Boyce Manufacturing Company Limited and our Company in relation to 36.5 acres of land owned by Godrej & Boyce Manufacturing Company Limited and located at Vikhroli, Mumbai. For further details please see section titled “Our Business” on page 77 of the Prospectus. Godrej Industries Limited does not have any other interest in the property acquired by our Company within two years preceding the date of this Prospectus or proposed to be acquired by our Company except as otherwise disclosed in the Prospectus.

Common Pursuits

Except as disclosed in this Prospectus, Godrej Industries Limited does not have any interest in any venture that is involved in any activities similar to those conducted by the Company. The Company

will adopt necessary procedures and practices as permitted by law to address any conflict situations as and when they arise.

Details of Mr. Adi B. Godrej are as follows:



Our Promoter Group

Apart from our Promoters and our Subsidiaries, the following companies and individuals constitute our Promoter Group:

I. Promoter Group Companies

- 1) Godrej Investments Private Limited;
- 2) Godrej Efacec Automation & Robotics Limited;
- 3) Veromatic International BV;
- 4) Water Wonder Benelux BV;
- 5) Wadala Commodities Limited;
- 6) Ensemble Holdings & Finance Limited;
- 7) Swadeshi Detergents Limited;
- 8) Nature's Basket Limited;
- 9) Godrej Hershey Limited;
- 10) Godrej Consumer Products Limited;
- 11) Godrej Agrovat Limited;
- 12) Golden Feed Products Limited;
- 13) Godrej Oil Palm Limited;
- 14) Cauvery Palm Oil Limited;
- 15) Godrej Infotech Limited;
- 16) Geometric Limited;
- 17) Mercury Manufacturing Company Limited;
- 18) Godrej (Malaysia) Sdn. Bhd.;
- 19) Godrej (Singapore) Pte Limited;
- 20) Godrej International Limited;
- 21) Veromatic Services BV;
- 22) Compass BPO Ltd, UK;
- 23) Boston Analytics Inc., USA;
- 24) CBay Systems Limited, USA; and
- 25) HyCa Technologies Private Limited.

II. Individuals

- 1) Mr. Adi B. Godrej
- 2) Mr. Jamshyd N. Godrej;
- 3) Ms. Nisaba A. Godrej;
- 4) Mr. Pirojsha A. Godrej;
- 5) Ms. Raika J. Godrej;

- 6) Mr. Navroze J. Godrej;
- 7) Mr. Nadir B. Godrej;
- 8) Ms. Freyan V. Crishna;
- 9) Ms. Nyrika V. Crishna;
- 10) Mr. Rishad K. Naoroji;
- 11) Ms. Tanya A. Dubash;
- 12) Master Burjis Nadir Godrej;
- 13) Mrs. Rati Nadir Godrej;
- 14) Mr. Sohrab Nadir Godrej;
- 15) Mrs. Parmeshwar A. Godrej;
- 16) Mrs. Smita V. Crishna;
- 17) Mrs. Pheroza Godrej; and
- 18) Mr. V. M. Crishna.

For shareholding pattern as per clause 35 of the Listing Agreement for Wadala Commodities Limited, Godrej Consumer Products Limited and Geometric Limited, the listed Promoter Group companies, please see the section titled “Group Companies’ on page 165 of the Prospectus.

GROUP COMPANIES

Besides our Subsidiaries, the following members are companies, firms and ventures promoted by our Promoters:

Companies forming part of our Group Companies

Unless otherwise stated none of the companies forming part of Group Companies is a sick company under the meaning of SICA and none of them are under winding up.

Five largest Group Companies (based on turnover)

1. Geometric Limited (“GL”)

Corporate Information

Geometric was incorporated on March 25, 1994 as Geometric Software Services Company Private Limited. The company changed its name to Geometric Software Solutions Company Limited on August 20, 1998 and later to Geometric Limited with effect from October 31, 2007. It is involved in the business of designing, developing, market and support software particularly in the field of computer aided design and computer aided manufacture and to provide services such as designing and developing of customized solutions in the field of computer aided manufacture, computer aided design, modelling, geometry, machining, drafting, drawing, interfacing with other software on a project and/or contract basis. Geometric is a 100% export oriented unit and an industrial undertaking set up in the software technology park, under the Software Technology Park Scheme.

Interest of Godrej Industries Limited and Godrej & Boyce Manufacturing Company Limited

Godrej & Boyce Manufacturing Company Limited holds 1,12,75,000 Equity Shares amounting to 18.15% of the holding. Godrej Industries Limited does not hold any shares in the Company.

Shareholding Pattern as on October 31, 2009:

	Category of shareholder	Number of shareholders	Number of Shares	Number of Shares held in dematerialized form	Total shareholding as a % of total number of Shares		Shares pledged or otherwise encumbered	
					As a % of (A+B)	As a % of (A+B+C)	Number of Shares	As a % of total number of Shares
(A)	Shareholding of Promoter and Promoter Group							
(1)	Indian							
(a)	Individuals/ Hindu Undivided Family	5	50,97,405	50,97,405	8.287	8.287	-	-
	Any other (specify)						-	-
	Bodies Corporate	4	1,77,26,116	1,77,26,116	28.817	28.817	-	-
	Sub Total (A) (1)	9	2,28,23,521	2,28,23,521	37.104	37.104	-	-
(2)	Foreign	0	0	0	0	0	-	-
	Sub Total (A) (2)	0	0	0	0	0	-	-
	Total Shareholding of Promoter and Promoter Group (A) = (A) (1) + (A) (2)	9	2,28,23,521	2,28,23,521	37.104	37.104	-	-
(B)	Public shareholding							

	Category of shareholder	Number of shareholders	Number of Shares	Number of Shares held in dematerialized form	Total shareholding as a % of total number of Shares		Shares pledged or otherwise encumbered	
					As a % of (A+B)	As a % of (A+B+C)	Number of Shares	As a % of total number of Shares
(1)	Institutions							
(a)	Mutual Funds/ UTI	2	10,67,557	10,67,557	1.736	1.736	-	-
(b)	Financial Institutions / Banks	2	2,400	2,400	0.004	0.004	-	-
(c)	Insurance Companies	2	15,33,908	15,33,908	2.494	2.494		
(d)	Foreign Institutional Investors	2	67,75,001	67,75,001	11.014	11.014	-	-
	Sub-Total (B)(1)	8	93,78,866	93,78,866	15.247	15.247	-	-
(2)	Non-institutions							
(a)	Bodies Corporate	651	24,24,045	24,30,295	3.941	3.941	-	-
(b)	Individuals	27,910	2,16,45,403	2,22,41,615	35.189	35.189		
(c)	Any Other (specify)						-	-
	Clearing Member	204	4,06,111	4,06,111	0.660	0.660		
	Non Resident Indians (Repat)	332	5,90,773	5,90,773	0.960	0.960	-	-
	Non Resident Indians (Non Repat)	81	2,80,074	2,80,074	0.455	0.455		
	Non Executive Director (Non-Residents)	2	90,000	90,000	0.146	0.146		
	Trusts	4	38,73,095	38,73,095	6.296	6.296		
	Sub-Total (B)(2)	29,184	2,93,09,501	29,91,1963	47.649	47.649	-	-
(B)	Total Public Shareholding (B)= (B)(1)+(B)(2)	29,192	3,86,88,367	3,92,90,829	62.896	62.896	-	-
(C)	Total Holdings for Custodians	0	0	0	0	0	-	-
	GRAND TOTAL (A)+(B)+(C)	29,201	6,15,11,888	6,21,14,350	100	100	-	-

Audited Financial Information

(Rs. in Crores, except share data)

Particulars	Fiscal 2009	Fiscal 2008	Fiscal 2007
Equity Capital	12.42	12.42	12.39
Reserves (excluding revaluation reserves) and surplus	91.40	232.06	211.30
Income (including other income)	601.00	490.35	394.26
Profit After Tax	28.89	38.56	37.44
Basic Earning Per Share (face value Rs.2 each)	(18.81)	5.18	6.20
Diluted Earning Per Share (face value Rs.2 each)	(18.81)	5.14	6.08
Net asset value per share	15.52	18.45	16.08

Share Price Information

Equity Shares of Geometric Limited are listed on the NSE and the BSE.

The monthly high and low of the closing market price of the Equity Shares of Geometric Limited having a face value of Re. 2 each on NSE for the last six months is as follows:

Month	High (Rs.)	Low (Rs.)
May 2009	30.30	27.65
June 2009	35.65	32.35
July 2009	39.25	36.00
August 2009	53.10	36.50
September 2009	52.40	41.55
October 2009	50.95	42.15

The market capitalisation of Geometric as on the closing price of Rs. 43.35 per equity share on the NSE on October 30, 2009 was Rs. 269.27 Crores

The monthly high and low of the closing market price of the Equity Shares of Geometric Limited having a face value of Re. 2 each on BSE for the last six months is as follows:

Month	High (Rs.)	Low (Rs.)
May 2009	30.05	18.25
June 2009	35.45	25.00
July 2009	38.95	36.35
August 2009	53.60	36.35
September 2009	52.25	42.70
October 2009	50.90	42.45

The market capitalisation of Geometric as on the closing price of Rs. 43.30 per equity share on the BSE on October 30, 2009 was Rs. 268.96 Crores

Changes in capital structure

There have been no changes in capital structure of Geometric during the preceding six months. Geometric has not made any public or rights issue in the last three years.

2. Wadala Commodities Limited (“WCL”)

Corporate Information

The company was originally incorporated as Noble Soya House Private Limited on March 9, 1984. The last change in name of the company to Wadala Commodities Limited was on April 8, 2008 and a fresh certificate of incorporation under Section 23(1) of the Companies Act was issued by the Registrar of Companies, Madhya Pradesh and Chhattisgarh. WCL is involved in the business of bulk trading of vegetable oils.

Interest of Godrej Industries Limited and Godrej & Boyce Manufacturing Company Limited

Godrej & Boyce Manufacturing Company Limited holds 11,046,635 Equity Shares amounting to 51.08% of the holding. Godrej Industries Limited does not hold any shares in the Company.

Shareholding pattern as on October 31, 2009:

	Category of shareholder	Number of shareholders	Number of Shares	Number of Shares held in dematerialized form	Total shareholding as a % of total number of Shares		Shares pledged or otherwise encumbered	
					As a % of (A+B)	As a % of (A+B+C)	Number of Shares	As a % of total number of Shares
(A)	Shareholding of Promoter and Promoter Group							

	Category of shareholder	Number of shareholders	Number of Shares	Number of Shares held in dematerialized form	Total shareholding as a % of total number of Shares		Shares pledged or otherwise encumbered	
					As a % of (A+B)	As a % of (A+B+C)	Number of Shares	As a % of total number of Shares
(1)	Indian							
(a)	Individuals/ Hindu Undivided Family	0	0	0	0	0	-	-
	Any other (specify)						-	-
	Bodies Corporate	1	1,10,46,635	1,10,46,635	51.08	51.08	-	-
	Sub Total (A) (1)	1	1,10,46,635	1,10,46,635	51.08	51.08	-	-
(2)	Foreign	0	0	0	0	0	-	-
	Sub Total (A) (2)	0	0	0	0	0	-	-
	Total Shareholding of Promoter and Promoter Group (A) = (A) (1) + (A) (2)	1	1,10,46,635	1,10,46,635	51.08	51.08	-	-
(B)	Public shareholding							
(1)	Institutions							
(a)	Mutual Funds/ UTI	0	0	0	0	0	-	-
(b)	Financial Institutions / Banks	0	0	0	0	0	-	-
(c)	Insurance Companies	0	0	0	0	0		
(d)	Foreign Institutional Investors	0	0	0	0	0	-	-
	Sub-Total (B)(1)	0	0	0	0	0	-	-
(2)	Non-institutions							
(a)	Bodies Corporate	195	8,14,684	8,14,384	3.77	3.77	-	-
(b)	Individuals							
	i. Individual shareholders holding nominal share capital up to Rs. 1 lakh	9,706	82,86,023	81,04,905	38.31	38.31	-	-
	ii. Individual shareholders holding nominal share capital in excess of Rs. 1 lakh.	6	12,51,289	12,51,289	5.79	5.79	-	-
(c)	Any Other (specify)						-	-
	Non Resident Indians/Overseas Corporate Bodies	52	2,27,607	2,27,607	1.05	1.05	-	-
	Sub-Total (B)(2)	9,959	1,05,79,603	1,03,98,185	48.92	48.92	-	-
(B)	Total Public Shareholding (B)= (B)(1)+(B)(2)	9,959	1,05,79,603	1,03,98,185	48.92	48.92	-	-
	TOTAL (A)+(B)	9,960	2,16,26,238	2,14,44,820	100.00	100.00	-	-
(C)	Shares held by Custodians and against which Depository Receipts have been issued	0	0	0	0	0	-	-
	GRAND TOTAL (A)+(B)+(C)	9,960	2,16,26,238	2,14,44,820	100.00	100.00	-	-

Audited Financial Information

The summary audited financial statements for the last three financial years are as follows:

(Rs. in Crores except per share data)

Particulars	Fiscal 2009	Fiscal 2008	Fiscal 2007
Equity capital	2.16	2.16	2.16
Preference capital	4.50	4.50	4.50
Reserves & surplus (excluding revaluation reserve)	Nil	Nil	Nil
Total income	0.10	0.40	15.324
Profit / (loss) after tax	(0.02)	0.03	0.61
Basic and Diluted Earning per share	(0.2)	(0.18)	0.09
Book value per share (net asset value)	(2.56)	(2.55)	0.00

Share Price Information

The Equity Shares of WCL are listed on BSE. The details of the highest and lowest price on the BSE during the preceding six months upto October 31, 2009 are as follows:

Month	High (Rs.)	Low (Rs.)
May 2009	5.58	2.90
June 2009	6.53	4.27
July 2009	4.80	3.46
August 2009	5.60	4.37
September 2009	5.53	4.21
October 2009	5.20	3.85

The market capitalisation of WCL as on the closing price of Rs. 3.88 per equity share on the BSE on October 30, 2009 was Rs. 8,391Crores.

Changes in capital structure

There have been no changes in the capital structure of WCL during the preceding six months.

WCL has not made any public or rights issue in the last three years. WCL made an initial public offering of Rs. 2.64 Crores during the period January 1, 1985 to March 10, 1987.

3. Godrej Consumer Products Limited (“GCPL”)

GCPL was incorporated on November 29, 2000. GCPL is involved in the business of manufacturing and marketing of products such as soaps, detergents, hair colours and toiletries.

Godrej Industries Limited holds 55,505,211 shares constituting 21.60% and Godrej & Boyce Manufacturing Company Limited hold 97,130,088 shares constituting 37.80% in GCPL.

Interest of Godrej Industries Limited and Godrej & Boyce Manufacturing Company Limited

As on October 31, 2009, Godrej Industries Limited holds 55,05,211 shares constituting 21.60% and Godrej & Boyce Manufacturing Company Limited hold 97,130,088 shares constituting 37.80% in GCPL.

Shareholding pattern as on October 31, 2009:

	Category of shareholder	Number of shareholders	Number of Shares	Number of Shares held in dematerialized form	Total shareholding as a % of total number of Shares		Shares pledged or otherwise encumbered	
					As a % of (A+B)	As a % of (A+B+C)	Number of Shares	As a % of total number of Shares
(A)	Shareholding of Promoter and Promoter Group							
(1)	Indian							
(a)	Individuals/ Hindu Undivided Family	21	2,46,87,952	2,46,87,332	9.61	9.61	-	-
	Any other (specify)						-	-
	Bodies Corporate	18	15,26,35,299	15,26,35,299	59.40	59.40	97,50,000	6.39
	Sub Total (A) (1)	39	17,73,23,251	17,73,22,631	69.01	69.01	97,50,000	5.50
(2)	Foreign	0	0	0	0	0	-	-
	Sub Total (A) (2)	0	0	0	0	0	-	-
	Total Shareholding of Promoter and Promoter Group (A) = (A) (1) + (A) (2)	39	17,73,23,251	17,73,22,631	69.01	69.01	97,50,000	5.50
(B)	Public shareholding							
(1)	Institutions							
(a)	Mutual Funds/ UTI	45	30,13,396	2,93,572	1.17	1.17	-	-
(b)	Financial Institutions / Banks	15	11,934	8,154	0.00	0.00	-	-
(c)	Insurance Companies	2	3,56,440	3,56,440	0.14	0.14		
(d)	Foreign Institutional Investors	84	4,89,81,784	4,89,56,184	19.06	19.06	-	-
	Sub-Total (B)(1)	146	5,23,63,554	5,22,56,750	20.38	20.38	-	-
(2)	Non-institutions							
(a)	Bodies Corporate	658	60,04,442	59,15,440	2.34	2.34	-	-
(b)	Individuals							
	i. Individual shareholders holding nominal share capital up to Rs. 1 lakh	86,512	2,06,77,757	1,28,68,025	8.05	8.05	-	-
	ii. Individual shareholders holding nominal share capital in excess of Rs. 1 lakh.	2	5,81,704	5,81,704	0.23	0.23	-	-
(c)	Any Other (OCB)	1	3,200	3,200	0.00	0.00	-	-
	Sub-Total (B)(2)	87,173	2,72,67,103	1,93,68,369	10.61	10.61	-	-
(B)	Total Public Shareholding (B)= (B)(1)+(B)(2)	87,319	7,96,30,657	7,16,25,119	30.99	30.99	-	-
	TOTAL (A)+(B)	87,358	25,69,53,908	24,89,47,750	100.00	100.00	97,50,000	3.79
(C)	Shares held by Custodians and against which Depository Receipts have been issued	0	0	0	0	0	-	-
	GRAND TOTAL (A)+(B)+(C)	87,358	25,69,53,908	24,89,47,750	100.00	100.00	97,50,000	3.79

Audited Financial Information

(Rs. in Crores, except share data)

Particulars	Fiscal 2009	Fiscal 2008	Fiscal 2007
Equity Capital	25.70	22.58	22.58
Reserves (excluding revaluation reserves) and surplus	541.15	148.98	99.42
Income (including other income)	1,436.58	1,108.57	954.17
Profit After Tax	173.26	159.24	144.03
Basic and Diluted Earning Per Share (face value Re.1 each)	6.83	7.05	6.15
Net asset value per share (total assets / No of shares)	33.02	16.27	13.44
Book Value per share (Net worth/ No of shares)	21.87	7.51	5.36

Share Price Information

Equity Shares of Godrej Consumer Products Limited are listed on BSE and NSE.

The monthly high and low of the closing market price of the Equity Shares of GCPL having a face value of Re. 1 each for the last six months in NSE and BSE is as follows:

NSE

Month	High (Rs.)	Low (Rs.)
October 2009	292.80	209.00
September 2009	265.00	226.05
August 2009	249.90	202.00
July 2009	233.00	160.00
June 2009	198.60	152.20
May 2009	186.90	139.00

The market capitalisation of GCPL on the closing price of Rs. 270.85 per equity share on the NSE as on October 30, 2009 was Rs. 6,959.60 Crores.

BSE

Month	High (Rs.)	Low (Rs.)
October 2009	293.00	242.05
September 2009	266.40	231.05
August 2009	248.00	203.50
July 2009	235.00	160.35
June 2009	191.00	158.05
May 2009	186.90	139.00
April 2009	154.90	125.00

The market capitalisation of GCPL on the closing price of Rs. 271.00 per equity share on the BSE as on October 30, 2009 was Rs. 6,963.45 Crores

Changes in capital structure

There have been no changes in capital structure of GCPL during the preceding six months

In May 2008 GCPL allotted 32,232,316 Equity Shares of face value Re. 1 at a price of Rs. 123 per share on a rights basis. GCPL has made no other public or rights issue in the last three years. Pursuant to a public announcement dated November 26, 2008, GCPL bought back 1,122,484 Equity Shares of face value Re. 1 each at an average price of Rs.132.74 at a total consideration of Rs.1490 lakh.

During the quarter April 2009 to June 2009 GCPL completed the acquisition of balance 50% stake in Godrej SCA Hygiene Limited from SCA Hygiene Product AB, Sweden. In terms of the Share Purchase Agreement between GCPL, SCA Hygiene Product AB, Sweden and Godrej SCA Hygiene Limited, Godrej SCA Hygiene Limited (renamed as Godrej Hygiene Products Ltd with effect from July 20, 2009) has become a wholly owned subsidiary of GCPL with effect from April 1, 2009.

The High Court of Judicature at Bombay has vide order dated October 8, 2009, sanctioned the scheme of amalgamation of Godrej ConsumerBiz Limited (GCBL) and Godrej Hygiene Care Limited (GHCL) with Godrej Consumer Products Limited (GCPL). The appointed date of the scheme is June 1, 2009 and the effective date is October 15, 2009 (being the date on which the certified copy of the court order has been filed with the Registrar of Companies, Mumbai). GCBL and GHCL held 29% and 20% respectively in Godrej Sara Lee Limited (GSL), which is a 49:51 unlisted joint venture company between the Godrej Group and Sara Lee Corporation, USA. GSL is the market leader in household insecticides, air care and hair cream in India with popular brands like GoodKnight, JET, HIT, AmbiPur, Brylcreem and KIWI. Pursuant to the amalgamation the assets and liabilities of GCBL and GHCL have been transferred to GCPL with effect from the appointed date and GCPL holds 49% stake in GSL. In terms of the scheme Godrej & Boyce Manufacturing Company Limited ("G&B") and Godrej Industries Ltd ("GIL"), the shareholders of GCBL and GHCL respectively are to be issued and allotted 10 shares in GCPL for every 11 shares held by them in GCBL and GHCL respectively. Accordingly GCPL is in the process of issuing and allotting 30296727 Equity Shares of FV Re.1 to G&B and 20939409 Equity Shares of FV Re.1 to GIL. The issued and paid up capital of GCPL will be increased to 308190044 Equity Shares of FV Re.1 each aggregating Rs. 308190044.

Compliance with Schedule VIII Part A (XI) (T) of the SEBI Regulations

In relation to Schedule VIII Part A (XI) (T) of the SEBI Regulations, Godrej Consumer Products Limited had in the year 2008 undertaken a rights issue of 32,263,440 Equity Shares of face value Re. 1 each at a premium of Rs. 122 per equity share aggregating Rs. 396.84 Crores. The allotment was for 32,232,316 Equity Shares of which 31,124 Equity Shares are kept in abeyance in view of legal disputes for ownership of such Equity Shares.

The objects of the rights issue were as follows:

- i) Funding of capital expenditure;
- ii) Investment in a joint venture;
- iii) Prepayment/ Repayment of certain debt;
- iv) Investment in a subsidiary, Godrej Netherlands;
- v) Financing the acquisition of Kinky Group (Pty) Limited; and
- vi) To cover the issue expenses.

In accordance with the provisions of Schedule VIII Part A (XI) (T) (6), (7) and (8) of the SEBI Regulations our responses are as follows:

1. Date of completion of delivery of share certificates – May 19, 2008
2. Date of completion of the project, where object of the issue was financing the project – The objects of the issue were not for the purpose of financing any project. Details of the objects of the rights issue are provided above.
3. Rate of dividend paid is as follows:
 - Aug 2008 - Rs.0.75 per share
 - Nov 2008 - Rs.0.75 per share
 - Feb 2009 - Rs. 1.00 per share
 - May 2009 - Rs.0.75 per share
 - July 2009- Rs.1.75 per share (interim 08-09 and Final 09-10)
 - Nov 2009 - Re.1.00 per share

4. Godrej Hershey Limited("GHL")

Corporate Information

GHL was incorporated on February 7, 1997. Godrej Hershey Limited is Company engaged in the manufacture of chocolates, confectioneries, beverages, fruit juices etc.

Interest of Godrej Industries Limited and Godrej & Boyce Manufacturing Company Limited

Godrej Industries Limited holds 32,587,046 shares constituting 43.37% in the company and Godrej & Boyce Manufacturing Company Limited does not hold any shares in the company.

Audited Financial Information

Particulars	(Rs.in Crores, except share data)		
	Fiscal 2009	Fiscal 2008	Fiscal 2007
Equity Capital	75	64	34
Reserves (excluding revaluation reserves) and surplus	224	159	105
Income (including other income)	267	197	177
Profit After Tax	(18)	(29)	(18)
Basic and Diluted Earning Per Share	(5.58)	(5.58)	(5.58)
Net asset value per share	34.20	31.14	27.51

Changes in capital structure

GHL has made three rights issue of Equity Shares details:

- 1,56,86,275 Equity Shares of Rs.10 each at a premium of Rs.4 per equity share by rights to the existing shareholders of the Company out of which 8,000,000 Equity Shares were allotted on September 10, 2007 to Hershey Netherlands B.V. under Section 81 (1) of the Companies Act, 1956;
- 1,82,33,197 Equity Shares of Rs.10 each at a premium of Rs. 66.50 per equity share by rights to the existing shareholders of the Company, out of which 6,745,098 Equity Shares were allotted to Godrej Industries Limited and 941,176 Equity Shares were allotted to Mr. A. Mahendran on November 30, 2007 under Section 81(1) of the Companies Act, 1956;
- 10,826,262 Equity Shares of Rs. 10 each at a premium of Rs. 63.89 per equity share out of which 10,176,687 were allotted on December 23, 2008 to Godrej Industries Limited and Hershey Netherlands BV under Section 81(1) of the Companies Act.

5. Godrej Agrovet Limited("GAVL")

Corporate Information

GAVL was incorporated on November 25, 1991. The principal activities of GAVL is to carry on the business of breeding, raising, rearing, importing, marketing of poultry birds (DOC) and producing, processing, packaging, supplying and selling of poultry and other animal feeds of all kinds.

Interest of Godrej Industries Limited and Godrej & Boyce Manufacturing Company Limited

GAVL is a subsidiary of Godrej Industries Limited, which is in turn, the subsidiary of Godrej & Boyce Manufacturing Company Limited.

Audited Financial Information

Particulars	(Rs. in Crores except per share data)		
	Fiscal 2009	Fiscal 2008	Fiscal 2007
Equity Share Capital	12.12	12.12	10.12
Reserves and Surplus	256.24	211.27	74.11

Particulars	Fiscal 2009	Fiscal 2008	Fiscal 2007
(Excluding Revaluation Reserve)			
Total Income	1,320.69	1,190.96	712.85
Profit / (Loss) After Tax	13.32	(39.05)	2.75
Basic and Diluted Earning Per Share	10.99	(36.32)	3.61
Book Value per Share (Net Asset Value)	221.44	184.33	83.24

Changes in capital structure

No change in the capital structure since last 6 months due to Bonus issue, rights issue, preferential allotment or by any other way. However GAVL has made a private placement under Section 81(1A) to Godrej Industries Limited of 3,000,000 shares on January 30, 2007 and rights issue to Godrej Industries Limited 20, 00,000 shares on January 18, 2008.

Group Companies with negative net worth

6. Vora Soaps Limited (“VSL”)

Corporate Information

VSL was incorporated on October 18, 1979. VSL is not in any business since July 1996.

Interest of Godrej Industries Limited and Godrej & Boyce Manufacturing Company Limited

Godrej & Boyce Manufacturing Company Limited and Godrej Industries Limited do not hold any Equity Shares of VSL.

Audited Financial Information

Particulars	(Rs. in Crores, except share data)		
	Fiscal 2009	Fiscal 2008	Fiscal 2007
Equity Capital	0.20	0.20	0.20
Reserves (excluding revaluation reserves) and surplus	-	-	-
Income (including other income)	0.01	-	0.07
Profit After Tax	0.01	~*	0.05
Basic and Diluted Earning Per Share (face value 100 each)	4.26	(1.95)	24.25
Net asset value per share	(28.21)	(32.47)	(30.52)

‘~*’ represents amount less than Rs. 50,000

7. Golden Feed Products Limited (“GFPL”)

Corporate Information

GFPL was incorporate on May 27, 2003. It deals with feed and feed supplements.

Interest of Godrej Industries Limited and Godrej & Boyce Manufacturing Company Limited

GFPL is a subsidiary of Godrej Agrovet Limited which is a subsidiary of Godrej Industries Limited, which is in turn, the subsidiary of Godrej & Boyce Manufacturing Company Limited.

Audited Financial Information

(Rupees in Crores, except share data)			
Particulars	Fiscal 2009	Fiscal 2008	Fiscal 2007

Particulars	Fiscal 2009	Fiscal 2008	Fiscal 2007
Equity Share Capital	0.05	0.05	0.05
Reserves & Surplus (Excluding Revaluation Reserve)	Nil	Nil	Nil
Total Income	0.442	_*	9.41
Profit / (Loss) After Tax	(0.02)	0.03	(0.16)
Basic and Diluted Earning Per Share	(32.18)	(31.74)	(31.00)
Book Value per Share (Net Asset Value)	9.68	9.68	9.69

***Significant Notes of Auditors in the Auditors' Report:** The accumulated losses of GFPL as at March 31, 2009 exceed its paid-up capital resulting in the erosion of its net worth. The accounts for the year have been prepared on the going concern basis on the understanding that the finance will continue to be available to GFPL for working capital requirements.

'_*' represents amount less than Rs. 50,000

Details of other Group Companies

None of the companies mentioned below have negative net worth.

8. Godrej Efacec Automation & Robotics Limited ("GEARL")

Corporate Information

GEARL was incorporated on November 22, 1996. GEARL is a manufacturing and trading concern and is engaged in providing warehousing solutions to manufacturing concerns through design, manufacture and installation of automatic storage and retrieval systems.

Interest of Godrej Industries Limited and Godrej & Boyce Manufacturing Company Limited

Godrej & Boyce Manufacturing Company Limited holds 7,50,000 shares constituting 50% stake in GEARL. Godrej & Boyce Manufacturing Company Limited is one of the parties to the 50:50 Joint Venture between Godrej & Boyce Manufacturing Company Limited and Efacec Automacao (a company incorporated in Portugal).

9. Godrej Infotech Limited ("GItL")

Corporate Information

GItL was incorporated on February 25, 1997. GItL is in the business of providing information technology including computer hardware and software and database management.

Interest of Godrej Industries Limited and Godrej & Boyce Manufacturing Company Limited

Godrej & Boyce Manufacturing Company Limited holds 5,050 shares constituting 50% stake in the Company. Godrej Industries Limited holds no shares in GItL.

10. Mercury Manufacturing Company Limited ("MMCL")

Corporate Information

MMCL was incorporated on November 11, 1992. MMCL is in the business of manufacture and export of steel furniture.

Interest of Godrej Industries Limited and Godrej & Boyce Manufacturing Company Limited

Godrej & Boyce Manufacturing Company Limited holds 12,60,000 shares constituting 33.60% stake in MMCL. Godrej Industries Limited does not hold any share in MMCL.

11. Godrej (Malaysia) Sdn. Bhd. (“GMSB”)

Corporate Information

GMSB was incorporated on April 29, 1965. GMSB is involved in the manufacturer of steel office furniture, shelving systems and steel fabrications.

Interest of Godrej Industries Limited and Godrej & Boyce Manufacturing Company Limited

Godrej & Boyce Manufacturing Company Limited holds 2,56,826 shares constituting 83% stake in the Company. Godrej Industries Limited does not hold any share in GMSB.

12. Godrej (Singapore) Pte Limited (“GSPL”)

Corporate Information

GSPL was incorporated on October 16, 1971. It is involved in the manufacture of and distribution of Steel Office Furniture, Shelving Systems and Steel Fabrications.

Interest of Godrej Industries Limited and Godrej & Boyce Manufacturing Company Limited

Godrej & Boyce Manufacturing Company Limited holds 24,720 shares constituting 58.55% stake in GSPL. Godrej Industries Limited does not hold any share in GSPL.

13. Godrej & Khimji (Middle East) LLC (“GOKHIM”)

Corporate Information

GOKHIM was incorporated on May 9, 1999. GOKHIM is engaged in the business of design, production, sale and distribution of steel furniture.

Interest of Godrej Industries Limited and Godrej & Boyce Manufacturing Company Limited

Godrej & Boyce Manufacturing Company Limited and Godrej Industries Limited do not hold any shares in GOKHIM.

14. J.T. Dragon Pte. Limited (“JTDPL”)

Corporate Information

JTDPL was incorporated on June 29, 1990. It is an investment holding company of Godrej (Vietnam) Company Limited, Vietnam which is a manufacturer of steel office furniture, shelving systems and steel fabrication.

Interest of Godrej Industries Limited and Godrej & Boyce Manufacturing Company Limited

Godrej & Boyce Manufacturing Company Limited and Godrej Industries Limited do not hold any shares in the Company.

15. Godrej (Vietnam) Company Limited (“GVCL”)

Corporate Information

GVCL was incorporated on April 28, 1997. GVCL is in the business of manufacture of steel office furniture, shelving systems and steel fabrication.

Interest of Godrej Industries Limited and Godrej & Boyce Manufacturing Company Limited

JTDPL holds 29,99,000 shares constituting 100% stake in GVCL. Godrej & Boyce Manufacturing Company Limited and Godrej Industries Limited do not hold any shares in GVCL.

16. Veromatic International BV (“VIBV”)

Corporate Information

VIBV was incorporated on August 2, 1991. It develops and produces hot and cold drink machines such as coffee, soup and water machines.

Interest of Godrej Industries Limited and Godrej & Boyce Manufacturing Company Limited

Godrej & Boyce Manufacturing Company Limited holds 300 shares constituting 75% stake in VIBV. Godrej Industries Limited does not hold any shares in VIBV.

17. Ensemble Holdings & Finance Limited (“EHFL”)

Corporate Information

EHFL was incorporated on February 17, 1992. It is a loan and investment company.

Interest of Godrej Industries Limited and Godrej & Boyce Manufacturing Company Limited

Godrej Industries Limited holds 37,74,160 shares constituting 100% stake in the Company.

18. Swadeshi Detergents Limited (“SDL”)

Corporate Information

SDL was incorporated on May 23, 1974. SDL is not in any active business since July 1996.

Interest of Godrej Industries Limited and Godrej & Boyce Manufacturing Company Limited

GIL is holding 2,09,370 constituting 41.08% of the equity capital of SDL. Godrej & Boyce Manufacturing Company Limited does not hold any shares in SDL.

19. Godrej International Limited (“GINL”)

Corporate Information

GINL was established on January 27, 1993 in the Isle of Man by Godrej Soaps Limited to undertake trading in vegetable oils worldwide. As a result of the demerger of Godrej Soaps Limited in 2001, GINL was transferred to Godrej Industries Limited. GINL continues to trade in vegetable oils.

Interest of Godrej Industries Limited and Godrej & Boyce Manufacturing Company Limited

Godrej Industries Limited holds 23,55,000 shares constituting 100% shares in GINL.

20. Godrej IJM Palm Oil Limited (“GIPOL”)

Corporate Information

GIPOL was incorporated on November 15, 2006. It is engaged in the business of Palm oil plantations and CPO extraction.

Interest of Godrej Industries Limited and Godrej & Boyce Manufacturing Company Limited

Godrej Industries Limited holds 2,584 shares, constituting 1.9% shares, in GIPOL. GIPOL is an investee company of Godrej Agrovet Limited with 62,867 shares, constituting 46.29%, of the equity stake being held by Godrej Agrovet Limited, a subsidiary of Godrej Industries Limited, which is in turn, the subsidiary of Godrej & Boyce Manufacturing Company Limited.

21. Godrej Gold Coin Aquafeed Limited (“GGCAL”)

Corporate Information

GGCAL was incorporated on September 16, 2006. It is involved in Aquafeed business.

Interest of Godrej Industries Limited and Godrej & Boyce Manufacturing Company Limited

GGCAL is an investee company of Godrej Agrovet Limited with 53,80,916 shares constituting 49% of the equity stake being held by Godrej Agrovet Limited, a subsidiary of GIL, which is in turn, the subsidiary of Godrej & Boyce Manufacturing Company Limited.

22. Godrej Tyson Foods Limited (“GTFL”)

Corporate Information

GTFL was incorporate on January 11, 2008. It is engaged in the business of live bird processing and value added vegetarian and non-vegetarian products.

Interest of Godrej Industries Limited and Godrej & Boyce Manufacturing Company Limited

GTFL is an investee company of Godrej Agrovet Limited with 85,880 Equity Shares constituting 49% of the equity stake being held by Godrej Agrovet Limited (with its nominees), a subsidiary of Godrej Industries Limited, which is in turn, the subsidiary of Godrej & Boyce Manufacturing Company Limited.

23. Natures Basket Limited (“NBL”)

Corporate Information

NBL was incorporated on May 29, 2008. The main object of NBL is to carry on the business of selling, distributing, buying, acquiring, storing, packing, transporting, importing, exporting, trading, processing, converting, producing, manufacturing, giving on franchise retail outlets and otherwise dealing in all types of foodstuff either for human being or otherwise, food grains, food products, beverages, meat, fish, aqua, marine products, birds, poultry products, fruits, vegetables, grocery, dairy product on wholesale and retail basis.

Interest of Godrej Industries Limited and Godrej & Boyce Manufacturing Company Limited

Godrej Industries Limited holds 70,50,000 shares of NBL constituting 100% shareholding.

24. Cauvery Palm Oil Limited (“CPOL”)

Corporate Information

CPOL was incorporated on September 17, 1996. It is mainly engaged in business relating to palm oil plantations of Tamil Nadu.

Interest of Godrej Industries Limited and Godrej & Boyce Manufacturing Company Limited

CPOL is a subsidiary of Godrej Agrovet Limited holding 34,20,000 Equity Shares constituting 90% of the equity stake being held by Godrej Agrovet Limited, a subsidiary of Godrej Industries Limited, which is in turn, the subsidiary of Godrej & Boyce Manufacturing Company Limited.

25. Godrej Oil Palm Limited (“GOPL”)

Corporate Information

GOPL was incorporated on August 18, 2006. It is engaged in the business of palm oil plantations and CPO extraction.

Interest of Godrej Industries Limited and Godrej & Boyce Manufacturing Company Limited

GOPL is a subsidiary of Godrej Agrovet Limited which holds 56,400 Equity Shares constituting 80% of the equity stake being held by Godrej Agrovet Limited, a subsidiary of Godrej Industries Limited, which is in turn, the subsidiary of Godrej & Boyce Manufacturing Company Limited.

26. Poultry Processors' Association of India (“PPAI”)

Corporate Information

PPAI was incorporated on November 25, 1991. The brief description of its business is promotion of scientific processing and packing of poultry birds and products in India, training to poultry farmers and interface between the Government and the poultry industry.

Interest of Godrej Industries Limited and Godrej & Boyce Manufacturing Company Limited

Godrej Industries Limited and Godrej & Boyce Manufacturing Company Limited do not have any interest in PPAI.

32. Al Rahba International Trading LLC (“ARIT”)

ARIT was incorporated on October 18, 2004. It is involved in production and marketing of live branded farm fresh chicken across United Arab Emirates.

Interest of Godrej Industries Limited and Godrej & Boyce Manufacturing Company Limited

Godrej & Boyce Manufacturing Company Limited and Godrej Industries Limited do not have any interest in ARIT.

33. ACI Godrej Agrovet Private Limited

ACI Godrej Agrovet Private Limited was incorporated on October 10, 2004. It is engaged in the business of Agri-business specifically Poultry feed, fish feed, cattle feed and DOC.

Interest of Godrej Industries Limited and Godrej & Boyce Manufacturing Company Limited

Godrej Industries Limited and Godrej & Boyce Manufacturing Company Limited do not hold directly any shares in ACI Godrej Agrovet Private Limited.

Negative Net Worth Group Companies

Except as disclosed none of the group companies have negative net worth.

Financial Information of the Group Companies

The financial information of the Group Companies have been obtained from the audited financial statements of those Group Companies.

Listed Group companies

The Company has three listed companies which form part of the group companies namely, Geometric Limited, Wadala Commodities Limited and Godrej Consumer Products Limited. For details of the 'Performance vis-à-vis objects' of the listed group companies of the Company please see the section titled 'Other Regulatory and Statutory Disclosures' on page 352 of the Prospectus.

Common pursuits of the Group Companies

Except as disclosed above, none of our Group Companies have any interest in any venture that is involved in any activities similar to those conducted by our Company or any of the Promoters.

Group companies which are private companies and not a subsidiary of public companies

- a) Godrej & Khimji (Middle East) LLC
- b) Al Rabha International Trading LLC
- c) ACI Godrej Agrovet Private Limited
- d) Poultry Processors' Association of India

Interest of Group Companies in the Company

Some Group companies have shareholding in our company to that extent they are interested.

List of related parties having transactions (sale/purchase) with the Issuer Company exceeding more than 10% of the total value of the sale and purchase transactions of the Company with the concerned entity:

Godrej Industries Limited		
Transaction	Financial Period	Amount (Rs. Crores)
Issue of equity share capital	Fiscal 2008	150.00
Inter corporate deposits taken	Fiscal 2005	13.00
Inter corporate deposits repaid	Fiscal 2005	13.00
Dividend paid	Fiscal 2007	22.00
Dividend paid	Six months ending September 30, 2009	12.13
Godrej Agrovet Limited		
Transaction	Financial Period	Amount (Rs. Crores)
Inter corporate deposits taken	Fiscal 2009	35.00
Inter corporate deposits repaid	Fiscal 2009	35.

For other details of sales or purchase between Group Companies/subsidiaries/ associate companies and also material items of income or expenditure arising out of such transactions please see section titled "Related Party Transactions" on page 181 of this Prospectus.

RELATED PARTY TRANSACTIONS

The details of Related Party Transactions are as under:

Standalone Statement of Related Party Transactions

		Rs. in Crores				
PARTICULARS		For the year ended March 31				
	As At 30.09.09	2009	2008	2007	2006	2005
Transactions undertaken/ balances outstanding with related parties:						
(i) Holding Company						
Transactions during the year						
Issue of Equity Share Capital	-	-	150.00	-	-	-
Godrej Industries Limited (GIL)	-	-	150.00	-	-	-
Purchase of Fixed Assets	0.08	0.35	0.07	0.29	0.34	0.09
Godrej & Boyce Mfg Co Limited	0.08	0.30	0.07	0.29	0.34	0.09
Godrej Industries Limited	-	0.05	-	-	-	-
Sale of Fixed Assets	-	-	-	-	-	-
Godrej Industries Limited (GIL)	-	-	-	-	-	-
Advances given	-	0.88	0.07	-	-	-
Godrej & Boyce Mfg Co Limited	-	0.88	0.07	-	-	-
Advance Received against Sale of Flats	7.78	13.55	1.69	-	-	-
Godrej Industries Limited (GIL)	7.78	13.55	1.69	-	-	-
Deposits given	0.10	0.06	0.07	0.10	0.04	-
Godrej Industries Limited (GIL)	0.10	0.06	0.07	0.10	0.04	-
Deposit repaid	-	0.04	0.07	-	0.03	-
Godrej Industries Limited (GIL)	-	0.04	0.07	-	0.03	-

Inter Corporate Deposits taken	5.50	-	-	-	-	13.00
Godrej Industries Limited (GIL)	5.50	-	-	-	-	13.00
Inter Corporate Deposits repaid	-	-	-	-	-	(13.00)
Godrej Industries Limited (GIL)	-	-	-	-	-	(13.00)
Interest Expense on Inter Corporate Deposits taken	(0.18)	-	-	-	-	0.23
Godrej Industries Limited (GIL)	(0.18)	-	-	-	-	0.23
Construction & other Expenses incurred on behalf of others	0.14	0.11	0.04	0.20	0.17	0.01
Godrej Industries Limited (GIL)	0.14	0.11	0.04	0.05	0.17	0.01
Godrej & Boyce Mfg Co Limited	-	-	-	0.15	-	-
Expenses charged by other companies	4.44	11.32	11.06	8.40	2.91	3.41
Godrej Industries Limited (GIL)	1.31	0.53	0.32	0.20	0.26	0.13
Godrej & Boyce Mfg Co Limited	3.13	10.79	10.74	8.20	2.65	3.28
Expenses re-imbursed by other companies	-	-	-	-	-	-
Dividend Paid	12.30	19.62	-	22.06	5.06	2.01
Godrej Industries Limited (GIL)	12.13	19.62	-	22.06	5.06	2.01
Godrej & Boyce Mfg Co Limited	0.17	-	-	-	-	-
Outstanding receivables, net of payables	(0.35)	(0.90)	(1.70)	(0.56)	0.08	(0.35)
Godrej Industries Limited (GIL)	0.09	-	-	-	-	(0.35)
Godrej & Boyce	(0.44)	(0.90)	(1.70)	(0.56)	0.08	-

Mfg Co Limited							
Deposit receivable	0.26	0.16	0.14	0.14	0.04	0.03	
Godrej Industries Limited (GIL)	0.26	0.16	0.14	0.14	0.04	0.03	
(ii)	Subsidiary Companies						
Transactions during the year							
Investment in Equity Shares / Preference Shares	-	0.05	32.54	0.15	0.56	-	
Godrej Realty Private Limited (51%)	-	-	-	-	0.51	-	
Godrej Waterside Properties Private Limited (51%)	-	-	0.46	-	0.05	-	
Godrej Developers Private Limited (51%)	-	-	0.01	0.05	-	-	
Godrej Sea View Private Limited (100%)	-	-	-	0.05	-	-	
Godrej Real Estate Private Limited (100%)	-	-	-	0.05	-	-	
Godrej Estate Developers Private Limited (100%)	-	0.05	-	-	-	-	
Happy Highrises Limited (51%)	-	-	32.07	-	-	-	
Investment in Debentures	-	-	14.79	1.79	5.87	-	
Godrej Realty Private Limited (51%)	-	-	-	1.79	5.87	-	
Godrej Waterside Properties Private Limited (51%)	-	-	14.79	-	-	-	
Sale Of Investments (Preference Shares)	-	21.49	-	-	-	-	

Godrej Developers Private Limited	-	21.49	-	-	-	
Sale of Fixed Assets	-	-	-	-	0.01	-
Godrej Realty Private Limited (51%)	-	-	-	-	0.01	-
Advances given	66.05	169.78	139.68	0.42	-	-
Godrej Realty Private Limited (51%)	0.82	11.24	-	0.42	-	-
Godrej Waterside Properties Private Limited (51%)	47.93	118.60	56.70	-	-	-
Godrej Developers Private Limited (51%)	10.18	33.36	8.55	-	-	-
Happy Highrises Limited (51%)	4.45	3.13	69.00	-	-	-
Godrej Real Estate Private Limited (100%)	2.67	3.45	5.43	-	-	-
Advances received	-	-	-	0.42	-	-
Godrej Realty Private Limited (51%)	-	-	-	0.42	-	-
Construction & other expenses incurred on behalf of others	18.15	40.62	98.55	35.90	1.58	-
Girkandra Holiday Homes & Resorts Limited (100%)	-	-	0.02	0.03	0.02	-
Godrej Realty Private Limited (51%)	0.04	0.01	1.96	1.66	1.56	-
Godrej Waterside Properties Private Limited (51%)	2.58	13.63	5.64	34.21	-	-
Godrej Developers Private Limited (51%)	2.88	4.74	15.20	-	-	-
Godrej Sea View Private Limited	-	_*	_*	_*	-	-

(100%)							
Godrej Real Estate Private Limited (100%)	6.01	10.82	67.53	-	-	-	
Godrej Estate Developers Private Limited (51%)	_*	_*	-	-	-	-	
Happy Highrises Limited (100%)	6.64	11.42	8.20	-	-	-	
Expenses charged by other companies	0.48	0.72	-	0.27	-	-	
Godrej Realty Private Limited (51%)	0.47	0.46	-	0.27	-	-	
Godrej Developers Private Limited (51%)	0.01	0.26	-	-	-	-	
Re payment Expenses charged by other companies	(7.10)	187.63	18.71	-	-	-	
Godrej Realty Private Limited (51%)	(10.16)	11.24	-	-	-	-	
Godrej Waterside Properties Private Limited (51%)	3.04	167.46	18.71	-	-	-	
Godrej Real Estate Private Limited (100%)	-	0.10	-	-	-	-	
Godrej Developers Private Limited (51%)	-	8.83	-	-	-	-	
Happy Highrises Limited (51%)	0.02	-	-	-	-	-	
Outstanding Receivables, net of payables	303.63	234.76	251.22	31.15	2.95	2.80	
Girkandra Holiday Homes & Resorts Limited (100%)	-	-	2.87	2.85	2.83	2.80	
Godrej Realty Private Limited (51%)	(9.81)	1.53	2.27	0.49	-	-	

	Godrej Waterside Properties Private Limited (51%)	67.73	20.33	74.15	27.81	0.12	-
	Godrej Developers Private Limited (100%)	52.77	39.71	23.62	_*	-	-
	Godrej Sea View Private Limited (100%)	_*	_*	_*	_*	_*	-
	Godrej Real Estate Private Limited (100%)	93.28	84.60	72.29	_*	-	-
	Godrej Estate Developers Private Limited (100%)	_*	_*	-	-	-	-
	Happy Highrises Limited (51%)	99.66	88.59	76.02	-	-	-
	Debentures outstanding	22.44	22.44	22.44	7.65	5.87	-
	Godrej Realty Private Limited (51%)	7.65	7.65	7.65	7.65	5.87	-
	Godrej Waterside Properties Private Limited (51%)	14.79	14.79	14.79	-	-	-
(iii)	Entities under the same management						
	Transactions during the year						
	Purchase of Fixed Assets	-	-	-	0.01	0.06	0.01
	Godrej Appliances Limited	-	-	-	0.01	0.06	0.01
	Inter Corporate Deposit given	-	-	15.00	-	-	-
	Lawkim Limited	-	-	15.00	-	-	-
	Inter Corporate Deposit repaid	-	-	15.00	-	-	-
	Lawkim Limited	-	-	15.00	-	-	-
	Inter Corporate Deposits taken	-	35.00	-	-	-	-
	Godrej Agrovet	-	35.00	-	-	-	-

Limited								
Inter Corporate Deposits repaid		-	35.00	-	-	-	-	-
Godrej Limited	Agrovet	-	35.00	-	-	-	-	-
Interest Received on Inter Corporate Deposit		-	-	0.50	-	-	-	-
Lawkim Limited		-	-	0.50	-	-	-	-
Interest Expense on Inter Corporate Deposits taken		-	0.10	-	-	-	-	-
Godrej Limited	Agrovet	-	0.10	-	-	-	-	-
Expenses charged by other companies		0.02	0.12	0.05	0.08	0.01		0.01
Godrej Limited	Sara Lee	-	_*	-	-	_*		-
Godrej Limited	Appliances	-	-	-	-	_*		-
Godrej Limited	Consumer Products	_*	0.03	0.01	0.01	_*		_*
Godrej Hygiene Limited	SCA	0.02	-	-	-	-		-
Godrej Limited	Hicare	-	0.09	0.03	0.06	0.01		0.01
Godrej Limited	Hershey	-	_*	_*	0.01	-		-
Godrej Limited	Agrovet	-	_*	0.01	-	_*		_*
Godrej Limited	Infotech	-	-	-	_*	-		_*
Dividend paid		0.49	0.81	-	0.91	0.21		0.16
Vora Limited	Soaps	0.01	0.01	-	0.01	-		-
Bahar Agrochem & Feeds Limited	Private	0.31	0.51	-	0.58	0.13		0.06
Ensemble Holdings & Finance Limited		0.17	0.29	-	0.32	0.08		0.10
Outstanding		-	_*	-	(0.01)	_*		-

receivables, net of payables							
Godrej Consumer Products Limited	-	-	-	-	_*	-	
Godrej Hicare Limited	-	-	-	(0.01)	-	-	
(iv) Key management personnel							
Transactions during the year							
Remuneration	1.15	1.81	1.90	1.37	0.62	0.43	
Mr. Milind Surendra Korde	1.15	1.81	1.90	1.37	0.62	0.43	
Reimbursement of Travel expenses	-	0.02	0.02	0.02	0.03	_*	
Mr. Milind Surendra Korde	-	0.02	0.02	0.02	0.03	_*	
Interest income on Loans given	-	-	-	-	_*	_*	
Mr. Milind Surendra Korde	-	-	-	-	_*	_*	
Dividend paid	0.58	0.95	-	0.81	0.18	0.06	
Mr. N. B. Godrej	0.44	0.71	-	0.81	0.18	0.06	
Mr. Pirojsha Godrej	0.14	0.24	-	-	-	-	

Consolidated Statement of Related Party Transactions

Transactions undertaken/ balances outstanding with related parties:

		Rs. in Crores				
PARTICULARS	As At 30.09.09	FOR THE YEAR ENDED MARCH 31.				
		2009	2008	2007	2006	2005
(i)	Holding Company					
Transactions during the year						
Issue of Equity Share Capital	-	-	150.00	-	-	-
Godrej Industries Limited (GIL)	-	-	150.00	-	-	-
Purchase of Fixed Assets	0.19	0.35	0.12	0.29	0.34	0.09
Godrej Industries Limited	-	0.05	-	-	-	-
Godrej & Boyce Mfg Co Limited	0.19	0.30	0.12	0.29	0.34	0.09
Sale of Fixed Assets	-	-	-	-	-	-
Godrej Industries Limited (GIL)	-	-	-	-	-	-
Advances given	-	1.43	0.07	-	-	-
Godrej & Boyce Mfg Co Limited	-	1.43	0.07	-	-	-
Advances received against sale of flats	7.78	13.55	1.69	-	-	-
Godrej Industries Limited (GIL)	7.78	13.55	1.69	-	-	-
Deposits given	0.10	0.06	0.07	0.10	0.04	-
Godrej Industries Limited (GIL)	0.10	0.06	0.07	0.10	0.04	-
Deposits repaid	-	(0.04)	(0.07)	-	(0.03)	-
Godrej Industries Limited (GIL)	-	(0.04)	(0.07)	-	(0.03)	-
Inter Corporate	5.50	-	-	-	-	13.00

Deposits taken							
Godrej Industries Limited (GIL)	5.50	-	-	-	-	13.00	
Inter Corporate Deposits repaid	-	-	-	-	-	(13.00)	
Godrej Industries Limited (GIL)	-	-	-	-	-	(13.00)	
Interest Expense on Inter-Corporate Deposits taken	(0.18)	-	-	-	-	0.23	
Godrej Industries Limited (GIL)	(0.18)	-	-	-	-	0.23	
Construction and other expenses incurred on behalf of others	0.14	0.11	0.04	0.20	0.17	0.01	
Godrej Industries Limited (GIL)	0.14	0.11	0.04	0.05	0.17	0.01	
Godrej & Boyce Mfg Co Limited	-	-	-	0.15	-	-	
Expenses charged by other companies	6.97	13.47	11.06	8.64	2.91	3.41	
Godrej Industries Limited (GIL)	1.31	0.53	0.32	0.20	0.26	0.13	
Godrej & Boyce Mfg Co Limited	5.66	12.94	10.74	8.44	2.65	3.28	
Dividend Paid	12.30	19.62	-	22.06	5.06	2.01	
Godrej Industries Limited (GIL)	12.13	19.62	-	22.06	5.06	2.01	
Godrej & Boyce Mfg Co Limited	0.17	-	-	-	-	-	
Outstanding receivables, net of payables	(0.80)	(0.90)	(1.70)	(0.56)	0.08	(0.35)	
Godrej Industries Limited (GIL)	0.09	-	-	-	-	(0.35)	
Godrej & Boyce Mfg Co Limited	(0.89)	(0.09)	(1.70)	(0.56)	0.08	-	
Deposit Receivable	0.26	0.16	0.14	0.14	0.04	0.03	
Godrej Industries Limited (GIL)	0.26	0.16	0.14	0.14	0.04	0.03	

(ii) Entities under the same management							
Transactions during the year							
Purchase of Fixed Assets	-	-	-	0.01	0.06	0.01	
Godrej Appliances Limited	-	-	-	0.01	0.06	0.01	
Inter-Corporate Deposit given	-	-	15.00	-	-	-	
Lawkim Limited	-	-	15.00	-	-	-	
Inter-Corporate Deposit repaid	-	-	(15.00)	-	-	-	
Lawkim Limited	-	-	(15.00)	-	-	-	
Expenses charged by other companies	_*	0.12	0.04	0.08	0.01	0.01	
Godrej Sara Lee Limited	-	_*	-	-	_*	-	
Godrej Appliances Limited	-	_*	-	-	_*	-	
Godrej Consumer Products Limited	_*	0.03	0.01	0.01	_*	_*	
Godrej Hicare Limited	-	0.09	0.03	0.06	0.01	0.01	
Godrej Hershey Limited	-	_*	_*	0.01	-	-	
Godrej Agrovat Limited	-	_*	_*	-	_*	_*	
Godrej Infotech Limited	-	-	-	_*	-	_*	
Inter Corporate Deposits taken	-	35.00	-	-	-	-	
Godrej Agrovat Limited	-	35.00	-	-	-	-	
Inter Corporate Deposits repaid	-	(35.00)	-	-	-	-	
Godrej Agrovat Limited	-	(35.00)	-	-	-	-	

Interest received on Inter-Corporate Deposits given	-	-	0.50	-	-	-
Lawkim Limited	-	-	0.50	-	-	-
Interest expense on Inter-Corporate Deposits taken	-	0.10	-	-	-	-
Godrej Agrovet Limited	-	0.10	-	-	-	-
Dividend Paid	0.49	0.81	-	0.92	0.21	0.16
Vora Soaps Limited	0.01	0.01	-	0.01	_*	_*
Bahar Agrochem & Feeds Private Limited	0.31	0.51	-	0.58	0.14	0.05
Ensemble Holdings & Finance Limited	0.17	0.29	-	0.33	0.07	0.11
Outstanding receivables, net of payables	-	_*	-	_*	_*	-
Godrej Consumer Products Limited	-	-	-	-	_*	-
Godrej Hicare Limited	-	*_	*_	*_	*_	-
(iii) Joint Ventures and Associates						
Transactions during the year						
Issue of Equity Share Capital	-	21.50	0.49	-	0.49	-
Red Fort India Real Estate Babur	-	21.50	-	-	-	-
HDFC Venture Trustee Company Limited	-	-	0.49	-	0.49	-
Sale of Equity Shares	86.10	20.52	-	-	-	-
Red Fort India Real Estate Babur	-	20.52	-	-	-	-

	HDFC Trustee Limited	Venture Company	-	-	-	-	-	-
	Milestone Estate Fund	Real	86.10	-	-	-	-	-
	Issue of Debentures		-	-	14.21	1.72	5.64	-
	HDFC Trustee Limited	Venture Company	-	-	14.21	1.72	5.64	-
	Interest on Debentures		0.11	1.68	1.77	0.57	0.02	-
	HDFC Trustee Limited	Venture Company	0.11	1.68	1.77	0.57	0.02	-
	Outstanding receivables, net of payables		(3.37)	(3.27)	(1.97)	(0.47)	(5.66)	-
	HDFC Trustee Limited	Venture Company	(3.37)	(3.27)	(1.97)	(0.47)	(5.66)	-
	Debentures Outstanding		21.56	21.56	21.56	7.35	5.64	-
	HDFC Trustee Limited	Venture Company	21.56	21.56	21.56	7.35	5.64	-
(iv)	Key management personnel							
	Transactions during the year							
	Remuneration		1.15	1.81	1.90	1.37	0.62	0.43
	Mr. Milind Surendra Korde		1.15	1.81	1.90	1.37	0.62	0.43
	Re-imbursement of Travel expenses		-	0.02	0.02	0.02	0.03	_*
	Mr. Milind Surendra Korde		-	0.02	0.02	0.02	0.03	_*
	Interest income on Loans given		-	-	-	-	_*	_*
	Mr. Milind Surendra Korde		-	-	-	-	_*	_*

Dividend paid	0.58	0.95	-	0.81	0.18	0.06
Mr. N. B. Godrej	0.44	0.71	-	0.81	0.18	0.06
Mr.Pirojsha Godrej	0.14	0.24	-	-	-	-
* represents amount less than Rs. 50,000						

DIVIDEND POLICY

The declaration and payment of dividends will be recommended by our board of directors and approved by our shareholders, in their discretion, and will depend on a number of factors, including but not limited to our earnings, capital requirements and overall financial position. Our Company has no stated dividend policy.

The dividend paid by the Company in the last five fiscals is as provided herein:

	Fiscal 2005	Fiscal 2006	Fiscal 2007	Fiscal 2008	Fiscal 2009
Face Value Per share	10.00	10.00	10.00	10.00	10.00
Dividend (Rs. Crores)*	2.55	6.20	27.00	24.61	15.10
Dividend per equity share (Rs.)	3.956	9.621	41.896	10.00	2.50
Dividend rate (% to paid up capital)	39.56%	96.21%	418.96%	100.00%	25.00%

* Excluding Corporate Dividend Tax

SECTION V - FINANCIAL INFORMATION

FINANCIAL STATEMENTS

Auditors' report as required by Part II of Schedule II of the Companies Act, 1956

**TO THE BOARD OF DIRECTORS,
GODREJ PROPERTIES LIMITED**

Dear Sirs,

1. We have examined the attached financial information of **Godrej Properties Limited** ("the Company") , as approved by the Board of Directors of the Company, prepared in terms of the requirements of Paragraph B, Part II of Schedule II of the Companies Act, 1956 ("the Act") and Issue of Capital and Disclosures Requirements) Regulations, 2009 as amended to date ("the ICDR Regulations") and in terms of our engagement agreed upon with you in accordance with our engagement letter dated October 15, 2009 in connection with the Draft Red Herring Prospectus / Red Herring Prospectus / Prospectus (collectively hereinafter referred to as "Offer document") for proposed issue of Equity Shares of the Company.
2. This information has been extracted by the Management from financial statements for the year ended March 31, 2009, 2008, 2007, 2006, and 2005 and for the period ended September 30, 2009. Audit for the financial year ended March 31, 2007, 2006 and 2005 was conducted by previous auditors, **Kalyaniwalla Mistry & Associates, Chartered Accountants**, and accordingly reliance has been placed on the financial information examined by them for the said years.
3. In accordance with the requirements of Paragraph B of Part II of Schedule II of the Act, the ICDR Regulations and terms of our engagement agreed with you, we further report that:
 - a) The Standalone Summary Statement of Assets and Liabilities, as restated, of the Company as at March 31 2009, 2008, 2007, 2006, 2005 and for the period ended on September 30, 2009 examined by us, as set out in Annexure I to this report are after making adjustments and regroupings as in our opinion were appropriate and more fully described in Significant Accounting Policies, Notes and Changes in Significant Accounting Policies (Refer Annexure XXIV and XXV).
 - b) The Standalone Summary Statement of Profits and Losses, as restated, of the Company for the year ended March 31 2009, 2008, 2007, 2006, 2005 and for the period ended on September 30, 2009 examined by us, as set out in Annexure II to this report are after making adjustments and regroupings as in our opinion were appropriate and more fully described in Significant Accounting Policies, Notes and Changes in Significant Accounting Policies (Refer Annexure XXIV and XXV).
 - c) The Standalone Summary Statement of Cash Flows, as restated, of the Company for the year ended March 31, 2009, 2008, 2007, 2006, 2005 and for the period ended on September 30, 2009 examined by us, as set out in Annexure III to this report are after making adjustments and regroupings as in our opinion were appropriate and more fully described in Significant Accounting Policies, Notes and Changes in Significant Accounting Policies (Refer Annexure XXIV and XXV).

The Standalone Summary Statement of Assets and Liabilities, Profits and Losses and Cash Flows, as restated, and more specifically described in point 3(a), 3(b) and 3(c) above are together hereinafter referred to as 'Restated Financial Information'.

 - d) Based on the above, we are of the opinion that the Restated Financial Information has been made after incorporating:

- i) Adjustments for the changes in accounting policies retrospectively in the respective financial years to reflect the same accounting treatment as per changed accounting policy for all the reporting periods.
 - ii) Adjustments for the material amounts in the respective financial years to which they relate.
 - iii) And there are no extra-ordinary items that need to be disclosed separately in the accounts and no audit qualifications requiring adjustments.
- e) We have also examined the following other financial information set out in the annexures prepared by the management and approved by the Board of Directors relating to the Company for the year ended March 31, 2009, 2008, 2007, 2006, 2005 and for the period ended on September 30, 2009.
- i. Standalone Statement of Share Capital, as restated (Annexure IV)
 - ii. Standalone Statement of Reserves and Surplus, as restated (Annexure V)
 - iii. Standalone Statement of Secured Loan, as restated (Annexure VI)
 - iv. Standalone Statement of Unsecured Loan, as restated (Annexure VII)
 - v. Standalone Statement of Stocks, as restated (Annexure VIII)
 - vi. Standalone Statement of Debtors, as restated (Annexure IX)
 - vii. Standalone Statement of Loan and Advances as restated (Annexure X)
 - viii. Standalone Statement of Cash and Bank Balances, as restated (Annexure XI)
 - ix. Standalone Statement of Investments, as restated (Annexure XII)
 - x. Standalone Statement of Current Liabilities and Provisions, as restated (Annexure XIII)
 - xi. Standalone Statement of Sales and Other Income, as restated (Annexure XIV)
 - xii. Standalone Statement of Cost of Sales, as restated (Annexure XV)
 - xiii. Standalone Statement of Employee Remuneration and Benefits, as restated (Annexure XVI)
 - xiv. Standalone Statement of Administration Expenses, as restated (Annexure XVII)
 - xv. Standalone Statement of Interest and Finance Charges (net), as restated (Annexure XVIII)
 - xvi. Standalone Statement of the Dividend paid (Annexure XIX)
 - xvii. Standalone Statement of Accounting Ratios, as restated (Annexure XX)
 - xviii. Standalone Statement of Related Party Disclosures (Annexure XXI)
 - xix. Standalone Statement of Capitalisation as at March 31, 2009 and September 30, 2009 (Annexure XXII)
 - xx. Standalone Statement of Tax Shelter (Annexure XXIII).
 - xxi. Standalone Statement of Significant Accounting Policies, as restated (Annexure XXIV)
 - xxii. Notes to the Standalone Statement of Assets and Liabilities & Profit and Losses, as restated (Annexure XXV)

In our opinion, the financial information contained in Annexure IV to XXIII of this report read along with the Standalone Significant Accounting Policies, Changes in Standalone Significant Accounting Policies and Notes (Refer Annexure XXIV and XXV) prepared after making adjustments and regroupings, as considered appropriate, have been prepared in accordance with Part IIB of Schedule II of the Act and the ICDR Regulations.

- 4) Our report is intended solely for use of the management and for inclusion in the Offer document in connection with the proposed issue of Equity Shares of the Company. Our report should not be used for any other purpose except with our consent in writing.

For and on behalf of,
Kalyaniwalla & Mistry
Chartered Accountants

Ermin K. Irani
Partner

Membership No. 35646
Place: Mumbai
Date: November 16, 2009

ANNEXURE I: STANDALONE SUMMARY STATEMENT OF ASSETS AND LIABILITIES, AS RESTATED

Rs. in Crores						
PARTICULARS	AS AT 30.09.2009	AS AT MARCH 31,				
		2009	2008	2007	2006	2005
FIXED ASSETS						
Gross Block	13.97	7.51	5.41	4.44	3.64	2.78
Less : Accumulated Depreciation	4.73	3.73	2.73	2.03	1.47	1.43
Net Block	9.24	3.78	2.68	2.41	2.17	1.35
Capital Work in Progress / Advance	-	3.25	0.21	0.21	-	-
	9.24	7.03	2.89	2.62	2.17	1.35
INVESTMENTS	40.00	55.72	55.69	8.36	6.43	_*
DEFERRED TAX ASSET	0.51	0.49	0.38	0.37	0.29	0.23
CURRENT ASSETS, LOANS AND ADVANCES						
Inventories	123.62	52.50	11.56	78.79	20.48	18.21
Sundry Debtors	469.59	454.27	405.71	219.79	82.81	40.96
Cash and Bank Balances	5.65	14.73	6.40	13.37	14.99	4.18
Loans & Advances	747.24	588.84	491.16	102.20	66.96	75.63
	1,346.10	1,110.34	914.83	414.15	185.24	138.98
LIABILITIES & PROVISIONS						
Secured Loan	432.71	256.69	98.58	17.39	1.56	18.72
Unsecured Loan	158.69	190.36	152.98	113.71	6.09	25.45
Current Liabilities	449.16	408.70	439.89	236.66	130.61	54.39
Provisions	9.51	19.68	41.20	12.72	9.28	0.47
	1,050.07	875.43	732.65	380.48	147.54	99.03
NET WORTH	345.78	298.15	241.14	45.02	46.59	41.53
REPRESENTED BY						

PARTICULARS	AS AT 30.09.2009	AS AT MARCH 31,				
		2009	2008	2007	2006	2005
SHARE CAPITAL	60.42	60.42	60.42	6.44	6.44	6.44
RESERVES & SURPLUS	285.36	237.73	180.72	38.58	40.15	35.09
NET WORTH	345.78	298.15	241.14	45.02	46.59	41.53
* Represents amount less than Rs. 50,000						

ANNEXURE II: STANDALONE SUMMARY STATEMENT OF PROFITS AND LOSSES, AS RESTATED

Rs. in Crores							
PARTICULARS		FOR THE PERIOD 01.04.2009 to 30.09.2009	FOR THE YEAR ENDED MARCH 31,				
			2009	2008	2007	2006	2005
INCOME							
Sales		15.20	125.94	196.49	117.25	56.77	33.92
Operating Income		15.67	20.08	30.95	19.98	12.99	7.71
Other Income		58.44	42.11	0.06	0.03	0.70	0.22
Total Income		89.31	188.13	227.50	137.26	70.46	41.85
EXPENDITURE							
Cost of Sales		14.09	64.46	86.78	75.84	42.52	26.14
Employee Remuneration & Benefits		1.40	3.75	9.80	6.95	2.29	1.85
Administration Expenses		5.19	9.97	10.93	3.53	1.98	1.17
Interest & Finance Charges (Net)		1.72	2.85	3.82	4.15	5.30	3.56
Depreciation		1.00	1.07	0.85	0.69	0.51	0.33
Total Expenditure		23.40	82.10	112.18	91.16	52.60	33.05
PROFIT BEFORE TAX AND EXTRAORDINARY ITEMS		65.91	106.03	115.32	46.10	17.86	8.80
EXTRAORDINARY ITEMS		-	-	-	-	-	-
PROFIT AFTER EXTRAORDINARY ITEMS BUT BEFORE TAX		65.91	106.03	115.32	46.10	17.86	8.80
PROVISION							
For Current Tax		(18.30)	(31.30)	(40.29)	(16.88)	(5.74)	(3.07)
For Fringe Benefit Tax		-	(0.16)	(0.13)	(0.08)	(0.05)	-
For Deferred Tax		0.02	0.11	0.01	0.08	0.06	0.05
PROFIT AFTER TAX AND EXTRAORDINARY ITEMS		47.63	74.68	74.91	29.22	12.13	5.78
Surplus Brought Forward		75.05	25.54	5.67	11.38	7.66	5.35
AMOUNT AVAILABLE FOR APPROPRIATION		122.68	100.22	80.58	40.60	19.79	11.13
Less:							
Interim Dividend		-	-	-	27.00	6.20	2.55
Proposed Dividend		-	15.10	24.61	-	-	-

PARTICULARS	FOR THE PERIOD 01.04.2009 to 30.09.2009	FOR THE YEAR ENDED MARCH 31,				
		2009	2008	2007	2006	2005
Dividend Distribution Tax	-	2.57	4.18	3.79	0.87	0.33
Transfer to General Reserve	-	7.50	7.60	4.14	1.34	0.59
SURPLUS CARRIED FORWARD TO BALANCE SHEET	122.68	75.05	44.19	5.67	11.38	7.66

ANNEXURE III: STANDALONE STATEMENT OF CASH FLOWS, AS RESTATED

Rs. in Crores						
PARTICULARS	FOR THE PERIOD 01.04.2009 to 30.09.2009	FOR THE YEAR ENDED MARCH 31,				
		2009	2008	2007	2006	2005
CASH FLOW FROM OPERATING ACTIVITIES						
Profit Before Tax and Extraordinary Items	65.91	106.03	115.32	46.10	17.86	8.80
Adjustments for:						
Depreciation	1.00	1.07	0.85	0.69	0.51	0.33
Profit / (loss) on disposal of Fixed Assets	_*	_*	0.03	_*	(0.54)	0.02
Interest Charges	34.28	51.30	27.00	12.45	7.77	7.93
Interest Income	(32.56)	(48.44)	(23.19)	(8.30)	(2.48)	(4.37)
Dividend Income	(0.01)	_*	_*	_*	_*	_*
Deferred Revenue Expenditure	-	-	-	-	-	0.01
Provision for Dimunition in value of Investment						
/ (Written Back)	-	_*	_*	-	_*	_*
Profit / (loss) on Sale of Long Term Investment	(58.38)	(41.99)	-	-	-	-
Operating Profit before working capital changes	10.25	67.97	120.01	50.94	23.12	12.72
Adjustments for:						
Changes in Trade and Other receivables	(15.32)	(48.56)	(185.92)	(136.98)	(41.85)	(2.19)
Changes in Loans & Advances	(159.22)	(94.33)	(386.53)	(34.34)	8.34	16.42
Changes in Inventories	(71.12)	(40.94)	67.23	(58.31)	(2.26)	4.80
Changes in Current Liabilities & Provisions	41.05	(30.85)	203.54	106.10	76.30	3.63
	(194.37)	(146.71)	(181.67)	(72.59)	63.65	35.38
Direct Taxes paid	(11.38)	(42.21)	(41.03)	(6.50)	(3.74)	(4.03)
NET CASH FLOW FROM OPERATING ACTIVITIES	(205.75)	(188.92)	(222.70)	(79.09)	59.91	31.35
CASH FLOW FROM INVESTING ACTIVITIES						
Proceeds from disposal of Fixed Assets	_*	0.05	0.02	0.03	0.77	0.04
Purchase of Fixed Assets	(3.22)	(5.25)	(1.17)	(1.16)	(1.57)	(0.34)
Purchase of Investments	-	(0.05)	(47.33)	(1.93)	(6.42)	-
Sale of Investment	74.10	42.01	-	-	-	-

PARTICULARS	FOR THE PERIOD 01.04.2009 to 30.09.2009	FOR THE YEAR ENDED MARCH 31,				
		2009	2008	2007	2006	2005
Interest Received	33.38	45.09	20.75	7.40	2.43	4.37
Dividend Received	0.01	_*	_*	_*	_*	_*
NET CASH FLOW FROM INVESTING ACTIVITIES	104.27	81.85	(27.73)	4.34	(4.79)	4.07
CASH FLOW FROM FINANCING ACTIVITIES						
Proceeds from issue of Equity Share Capital	-	-	150.00	-	-	-
Proceeds from / (Repayment of) Secured Term Loan	140.00	60.00	-	(0.03)	(0.91)	(9.50)
Change in Secured Working Capital Loan	36.02	98.12	81.19	15.86	(16.26)	(9.48)
Proceeds from / (Repayment of) Unsecured Term Loan	(40.00)	25.00	29.00	101.50	(17.00)	(2.50)
Change in Unsecured Working Capital Loan	4.83	12.29	11.05	5.02	-	-
Proceeds from / (Repayment of) Fixed Deposits	-	(1.91)	0.22	0.10	(2.11)	(0.66)
Proceeds from / (Repayment of) Inter Company Deposit	3.50	2.00	(1.00)	1.00	(0.25)	(10.25)
Interest Paid	(34.28)	(51.30)	(27.00)	(12.46)	(7.78)	(8.00)
Dividend paid (including Tax)	(17.67)	(28.80)	-	(37.86)	-	(5.14)
NET CASH FLOW FROM FINANCING ACTIVITIES	92.40	115.40	243.46	73.13	(44.31)	(45.53)
Net Increase/ (Decrease) in Cash and Cash Equivalents	(9.08)	8.33	(6.97)	(1.62)	10.81	(10.11)
Opening Cash and Cash Equivalents	14.73	6.40	13.37	14.99	4.18	14.29
Closing Cash and Cash Equivalents	5.65	14.73	6.40	13.37	14.99	4.18
* Represents amount less than Rs. 50,000						
The Cash Flow Statement has been prepared under indirect method as set out in Accounting Standard-3 on Cash Flow Statements as issued by the ICAI						

ANNEXURE IV: STANDALONE STATEMENT OF SHARE CAPITAL, AS RESTATED

Rs. in Crores						
PARTICULARS	AS AT	AS AT MARCH 31,				
	30.09.2009	2009	2008	2007	2006	2005
AUTHORISED						
100,000,000 Equity Shares of Rs. 10 each (Previous Year 100,000,000 Equity Shares of Rs. 10 each)	100.00	100.00	100.00	10.00	10.00	10.00
ISSUED, SUBSCRIBED AND PAID UP						
60,420,259 Equity Shares of Rs. 10 each (Previous Year 60,420,259 Equity Shares of Rs. 10 each)	60.42	60.42	60.42	6.44	6.44	6.44
Notes:						
1	Of the above 54,239,845 shares were issued as Bonus Shares by capitalising Share Premium, General Reserve & Profit & Loss Account					
2	Of the above 48,495,209 (Previous Year 48,495,209) shares are held by Godrej Industries Ltd, the Holding Company.					

ANNEXURE - V: STANDALONE STATEMENT OF RESERVES AND SURPLUS, AS RESTATED

Rs. in Crores						
PARTICULARS	AS AT	AS AT MARCH 31,				
	30.09.2009	2009	2008	2007	2006	2005
Share Premium	147.58	147.58	147.58	24.52	24.52	24.52
General Reserve	15.10	15.10	7.60	8.39	4.25	2.91
Surplus as per Profit and Loss Account	122.68	75.05	44.19	5.67	11.38	7.66
Less: Utilised for issue of Bonus Shares						
during the year	-	-	(18.65)	-	-	-
	122.68	75.05	25.54	5.67	11.38	7.66
TOTAL	285.36	237.73	180.72	38.58	40.15	35.09
NOTE :						
During the year 2007 - 08 the Company has utilised General Reserve of Rs. 8.39 Crores, Share Premium of Rs. 24.52 Crores and Surplus as per Profit and Loss Account of Rs.18.65 Crores for issue of Bonus shares & received Share Premium of Rs. 147.58 Crores on issue of Right shares.						

ANNEXURE VI: STANDALONE STATEMENT OF SECURED LOANS, AS RESTATED

PARTICULARS	Rs. in Crores					
	AS AT	AS AT MARCH 31,				
	30.09.2009	2009	2008	2007	2006	2005
TERM LOANS						
State Bank of Bikaner & Jaipur	-	-	-	-	-	0.43
(Secured by way of equitable mortgage of immovable property of the project undertaken by the Company as Project Manager at Godrej Glenelg - Cuffe Parade)						
UTI Bank Limited	-	-	-	-	0.03	0.50
(Secured by way of equitable mortgage of immovable property of the project undertaken by the Company as Project Manager at Godrej Castlemaine - Pune)						
	-	-	-	-	0.03	0.93
WORKING CAPITAL LOANS						
State Bank of India	232.71	196.69	98.58	17.39	1.53	0.52
(Secured by way of equitable mortgage of immovable property of the project undertaken by the Company's project at Juhu - Mumbai)						
Bank of Baroda FCNR 'B'	-	-	-	-	-	1.27
(Secured by way of equitable mortgage of immovable property of the project undertaken by the Company as Project Manager at Shivaji Nagar - Pune)						
State Bank of India - Commercial Paper	-	-	-	-	-	16.00
(Secured by way of equitable mortgage of immovable property of the project undertaken by the Company's project at Juhu - Mumbai)						
SHORT TERM LOAN FROM BANKS						
(Secured by way of equitable mortgage of its interest, in the immovable property of the project undertaken by the Company at Chandigarh)	200.00	60.00	-	-	-	-
	432.71	256.69	98.58	17.39	1.53	17.79
TOTAL	432.71	256.69	98.58	17.39	1.56	18.72

PARTICULARS	AS AT		AS AT MARCH 31,			
	30.09.2009	2009	2008	2007	2006	2005
Of the Above,						
Repayable within a year	200.00	60.00	-	-	0.03	17.36
(Excluding Cash Credit)						

Notes:

The following table shows the Major Terms and Conditions of the Secured Loan obtained by the Company including the Pre payment Conditions and Lender's right to recall the loan

Lender	Sanctioned Amount (Rs. in Crores)	Utilized Amount (Rs. in Crores)	Rate of Interest	Repayment Date	Security Offered	Prepayment	Pre Mature Withdrawal of Credit Facility
State Bank of India (working Capital Loan)	351.00	184.84(Including the Utilization of Non Fund Based Facility to the extent of 2.13 Crores)	SBAR i.e. 11.75% as on September 30, 2009	23/3/2010	Equitable mortgage of immovable property of the company's project at Juhu, Mumbai. Security by first charge on current assets of the company, Godrej Real Estate Private Limited and Happy Highrises Limited.	Since it is Working Capital Facility it can be repaid any time as the said facility doesn't have any fixed repayment date.	Cancellation of Working Capital Limit unconditional any time for the reasons mentioned in the sanction letter viz. Non Utilization of Limits, Deterioration of Loan Account and Non Compliance of Terms and Conditions of Sanction.
	50.00	50.00	8.50% Fixed as on September 30, 2009	9/12/2009	Equitable mortgage of immovable property of the company's project at Juhu, Mumbai. Security by first charge on current assets of the company, Godrej Real Estate Private Limited and Happy Highrises Limited.	Not Permitted	Cancellation of Working Capital Limit unconditional any time for the reasons mentioned in the sanction letter viz. Non Utilization of Limits, Deterioration of Loan Account and Non Compliance of Terms and Conditions of Sanction.
Central Bank of India	200.00	50.00	(BPLR-1.00 %)	19/3/2010	Equitable mortgage	Prepayment without	Loan can be recalled by

10.00	(Curr. @ 11.00%) as on September 30.2009	31/3/2010	over company's interest in if immovable property of the project undertaken by the Company at Chandigarh.	charges, if paid out of existing projects, otherwise 1% prepayment penalty	Bank at any time only on occurrence of events of defaults as per the sanction letter.
40.00		8/4/2010			
50.00		10/6/2010			
50.00		16/7/2010			

ANNEXURE - VII: STANDALONE STATEMENT OF UNSECURED LOANS, AS RESTATED

PARTICULARS	Rs. in Crores					
	AS AT	AS AT MARCH 31,				
	30.09.2009	2009	2008	2007	2006	2005
SHORT TERM LOANS						
IDBI Bank Limited	-	-	-	-	-	1.00
State Bank of Patiala	-	-	-	-	-	4.50
State Bank of Saurashtra	-	-	-	-	-	2.50
The Bank of Rajasthan Limited	-	-	-	-	-	3.50
The Catholic Syrian Bank Ltd	-	-	10.00	-	-	-
State Bank of Travancore	-	-	-	-	-	5.00
UCO Bank	-	-	-	-	4.50	5.00
IDBI Bank Limited	50.00	-	-	6.00	-	-
Punjab & Sind Bank	20.00	10.00	25.00	25.00	-	-
Central Bank of India	50.00	150.00	100.00	50.00	-	-
J & K Bank Limited	-	-	-	25.00	-	-
	120.00	160.00	135.00	106.00	4.50	21.50
WORKING CAPITAL LOANS						
IDBI Bank Limited	33.19	28.36	16.07	5.02	-	-
	33.19	28.36	16.07	5.02	-	-
FIXED DEPOSITS						
Directors	-	-	1.88	1.53	1.12	0.95
Others	-	-	0.03	0.16	0.47	2.75
	-	-	1.91	1.69	1.59	3.70
INTERCORPORATE DEPOSITS						
	5.50	2.00	-	1.00	-	0.25
	5.50	2.00	-	1.00	-	0.25
TOTAL	158.69	190.36	152.98	113.71	6.09	25.45
Of the Above,						
Repayable within a year	125.50	162.00	136.91	108.76	6.09	25.01
(Excluding Cash Credit)						

Notes:

The following table shows the Major Terms and Conditions of the Unsecured Loan obtained by the Company including the Pre payment Conditions and Lender's right to recall the loan.

Lender	Sanctioned Amount (Rs. in Crores)	Utilized Amount (Rs. in Crores)	Rate of Interest	Repayment Date	Prepayment	Pre Mature Withdrawal of Credit Facility
IDBI BANK LTD (Working Capital Loan)	60.00 (Including Non interchangeable non fund based limit of Rs. 10 Crores.)	33.19	BPLR - 0.50% i.e. 12.5% as on September 30, 2009	24/3/2010	Since it is Working Capital Facility it can be repaid any time as the said facility doesn't have any fixed repayment date.	Financial Assistance – On Demand
	50.00	50.00	8.75% Fixed as on September 30, 2009	12/11/2009	Not Permitted	STL - On Demand"
Central Bank of India (Short Term Loan)	50.00	50.00	At BPLR i.e. 12% as on September 30, 2009	13/11/2009	N.A.	N.A.
Punjab & Sind Bank	50.00	20.00	9.65% Fixed as on September 30, 2009	17/09/2010	Permitted with no Prepayment penalty.	It can be called by bank anytime during the tenure of the loan.
ICD - Godrej Industries Limited (Promoter)	5.50	5.50	10% per annum Fixed	1/1/2010 & 0.50 Crores on 15/02/2010	N.A.	N.A.

ANNEXURE - VIII: STANDALONE STATEMENT OF STOCKS, AS RESTATED

PARTICULARS	Rs. in Crores					
	AS AT	AS AT MARCH 31,				
	30.09.2009	2009	2008	2007	2006	2005
Stock in Trade	0.48	0.36	2.43	1.93	6.93	6.16
Construction Work in Progress	123.14	52.14	9.13	76.86	13.55	12.05
TOTAL	123.62	52.50	11.56	78.79	20.48	18.21

ANNEXURE - IX: STANDALONE STATEMENT OF DEBTORS, AS RESTATED

PARTICULARS	Rs. in Crores					
	AS AT	AS AT MARCH 31,				
	30.09.2009	2009	2008	2007	2006	2005
SUNDRY DEBTORS						
(Unsecured, considered good)						
Debts over six months	0.27	0.31	1.19	1.42	1.59	2.42
	0.27	0.31	1.19	1.42	1.59	2.42
Other debts	469.32	453.96	404.52	218.37	81.22	38.54
	469.32	453.96	404.52	218.37	81.22	38.54
TOTAL	469.59	454.27	405.71	219.79	82.81	40.96

ANNEXURE - X: STANDALONE STATEMENT OF LOANS AND ADVANCES, AS RESTATED

PARTICULARS	Rs. in Crores					
	AS AT	AS AT MARCH 31,				
	30.09.2009	2009	2008	2007	2006	2005
LOANS AND ADVANCES						
(Unsecured, considered good)						
Advances recoverable in cash or in kind or for value to be received						
- Due from companies under the same management	307.26	236.65	251.36	31.28	2.98	2.85
- Due from Directors	-	-	-	-	_*	_*
- Due from Others	15.25	13.50	1.92	7.51	1.47	0.50
Loans to GIL ESOP Trust	9.13	8.91	7.74	6.28	1.86	-
Loans to GPL ESOP Trust	31.47	28.28	27.52	-	-	-
Development management Fees accrued but not due	6.02	6.02	17.02	17.03	19.72	24.97
Due on Management Projects	109.18	87.21	118.34	35.97	33.31	35.69
Deposits	263.01	201.53	63.87	3.18	7.57	11.25
Interest Accrued	5.92	6.74	3.39	0.95	0.05	-
Taxes paid (Net of provisions)	-	-	-	-	-	0.37
TOTAL	747.24	588.84	491.16	102.20	66.96	75.63
* Represents amount less than Rs. 50,000						

ANNEXURE - XI: STANDALONE STATEMENT OF CASH AND BANK BALANCES, AS RESTATED

Rs. in Crores						
PARTICULARS	AS AT		AS AT MARCH 31,			
	30.09.2009	2009	2008	2007	2006	2005
Cash & Cheques in hand	0.05	6.64	0.02	1.08	0.01	_*
Bank balances with scheduled banks in:-						
Current Accounts	1.77	4.30	2.07	8.28	1.05	0.37
Fixed Deposits	3.83	3.79	4.31	4.01	13.93	3.81
TOTAL	5.65	14.73	6.40	13.37	14.99	4.18
* Represents amount less than Rs. 50,000						

ANNEXURE XII: STANDALONE STATEMENT OF INVESTMENTS, AS RESTATED

PARTICULARS	Rs. in Crores					
	AS AT	AS AT MARCH 31,				
	30.09.2009	2009	2008	2007	2006	2005
Long Term (At Cost)						
Quoted Investments	-*	-*	-*	-*	-*	-*
In Shares (Net of Provision for Diminution in Value)						
Unquoted Investments	-*	-*	-*	-*	-*	-*
In Shares						
	-*	-*	-*	-*	-*	-*
Investments in Subsidiary Companies						
Godrej Realty Private Limited						
510,000 Equity Shares of Rs.10 each	0.51	0.51	0.51	0.51	0.51	-
7,650,000 10% (1% w.e.f 01.01.09) Secured Redeemable	7.65	7.65	7.65	7.65	5.87	-
Optionally Convertible Debentures of Rs. 10 each						
Godrej Waterside Properties Private Limited						
510,000 Equity Shares of Rs.10 each	0.51	0.51	0.51	0.05	0.05	-
14,790,000 10% (1% w.e.f. 01.01.09) Secured Redeemable	14.79	14.79	14.79	-	-	-
Optionally Convertible Debentures of Rs. 10 each						
Godrej Sea View Properties Private Limited						
50,000 Equity Shares of Rs.10 each	0.05	0.05	0.05	0.05	-	-
Godrej Real Estate Private Limited						
50,000 Equity Shares of Rs.10 each	0.05	0.05	0.05	0.05	-	-
Godrej Developers Private Limited						
34,032 Equity Shares of Rs.10 each	0.04	0.04	0.05	0.05	-	-
10,000 10% Non Convertible Cumulative Redeemable Preference Shares of Rs. 10 each	-	-	0.01	-	-	-
Happy Highrises Limited						
203,120 Equity Shares of Rs. 10 each	16.35	32.07	32.07	-	-	-
Godrej Estate Developers Private Ltd						
50,000 Equity Shares of Rs. 10 each	0.05	0.05	-	-	-	-

PARTICULARS	AS AT		AS AT MARCH 31,			
	30.09.2009	2009	2008	2007	2006	2005
	40.00	55.72	55.69	8.36	6.43	-
TOTAL	40.00	55.72	55.69	8.36	6.43	_*
1. Cost of Quoted Investments	_*	_*	_*	_*	_*	_*
2. Market Value of Quoted Investments	0.17	0.06	0.39	0.27	0.01	0.01
* Represents amount less than Rs. 50,000						

**ANNEXURE - XIII: STANDALONE STATEMENT OF CURRENT LIABILITIES AND PROVISIONS,
AS RESTATED**

Rs. in Crores						
PARTICULARS	AS AT	AS AT MARCH 31,				
	30.09.2009	2009	2008	2007	2006	2005
CURRENT LIABILITIES						
Acceptances	-	-	-	-	-	0.57
Sundry Creditors	11.16	10.40	14.54	5.75	2.80	4.81
Investor Education and Protection Fund	-	-	-	-	-	-
Advances received against Sale	380.32	340.98	337.51	188.05	76.47	29.29
Deposits	0.02	0.02	0.04	0.04	2.47	2.39
Unclaimed Fixed Deposit	0.05	0.08	0.12	0.17	0.40	0.36
Other liabilities	55.70	52.96	68.72	30.72	22.59	14.84
Due to Management Projects	1.91	4.26	18.96	11.93	25.88	2.13
Interest Accrued but not due on Loans	-	-	-	-	-	_*
	449.16	408.70	439.89	236.66	130.61	54.39
PROVISIONS						
Gratuity	0.85	0.65	0.42	0.31	0.28	0.22
Leave Encashment	0.97	0.59	0.48	0.28	0.26	0.25
Interim Dividend	-	-	-	-	6.20	-
Proposed Dividend	-	15.10	24.61	-	-	-
Tax on Dividend	-	2.57	4.18	-	0.87	-
Taxation (Net of advance tax & tax deducted at source)	7.69	0.77	11.51	12.13	1.67	-
	9.51	19.68	41.20	12.72	9.28	0.47
TOTAL	458.67	428.38	481.09	249.38	139.89	54.86
* Represents amount less than Rs. 50,000						

ANNEXURE - XIV: STANDALONE STATEMENT OF SALES AND OTHER INCOME, AS RESTATED

PARTICULARS	Rs. in Crores					
	FOR THE PERIOD	FOR THE YEAR ENDED MARCH 31,				
	01.04.2009 to 30.09.2009	2009	2008	2007	2006	2005
Sales	15.20	125.94	196.49	117.25	56.77	33.92
	15.20	125.94	196.49	117.25	56.77	33.92
Operating Income						
Income from Development Projects	8.67	18.84	28.90	7.11	7.67	5.15
Compensation Received	7.00	0.39	1.00	12.00	-	-
Project Management Fees	_*	_*	_*	_*	_*	_*
Other Income from Customers	-	0.85	1.05	0.35	-	-
Lease Rent	_*	_*	_*	0.52	5.32	2.56
License Fees	_*	_*	_*	_*	_*	_*
	15.67	20.08	30.95	19.98	12.99	7.71
Other Income						
Dividend	0.01	_*	_*	_*	_*	_*
Profit on disposal of Fixed Assets (Net)	-	-	-	_*	0.54	-
Profit on Sale Of Long Term Investment	58.38	41.99	-	-	-	-
Miscellaneous Income	0.05	0.12	0.06	0.03	0.16	0.22
	58.44	42.11	0.06	0.03	0.70	0.22
TOTAL	89.31	188.13	227.50	137.26	70.46	41.85
* Represents amount less than Rs. 50,000						

ANNEXURE - XV: STANDALONE STATEMENT OF COST OF SALES, AS RESTATED

Rs. in Crores						
PARTICULARS	FOR THE PERIOD	FOR THE YEAR ENDED MARCH 31,				
	01.04.2009 to 30.09.2009	2009	2008	2007	2006	2005
Own Projects Cost						
Opening Stock	52.50	11.56	78.79	20.48	18.21	23.01
Add : Expenditure/ Transfers from Advances						
during the year	85.21	105.40	80.43	125.31	38.59	12.80
Less : Transferred to Subsidiary Company		-	(64.17)	-	-	-
Less : Closing Stock	(123.62)	(52.50)	(11.56)	(78.79)	(20.48)	(18.21)
	14.09	64.46	83.49	67.00	36.32	17.60
Development Project Cost						
	-	-	3.29	8.84	6.20	8.54
TOTAL	14.09	64.46	86.78	75.84	42.52	26.14

ANNEXURE - XVI: STANDALONE STATEMENT OF EMPLOYEE REMUNERATION & BENEFITS, AS RESTATED

Rs. in Crores						
PARTICULARS	FOR THE PERIOD	FOR THE YEAR ENDED MARCH 31,				
	01.04.2009 to 30.09.2009	2009	2008	2007	2006	2005
Salaries, Wages and Bonus	1.02	3.10	9.29	6.59	1.99	1.60
Contribution to Provident and Other Funds	0.38	0.65	0.43	0.30	0.20	0.14
Other Employee Benefits	-	.*	0.08	0.06	0.10	0.11
TOTAL	1.40	3.75	9.80	6.95	2.29	1.85

* Represents amount less than Rs. 50,000

ANNEXURE - XVII: STANDALONE STATEMENT OF ADMINISTRATION EXPENSES, AS RESTATED

Rs. in Crores						
PARTICULARS	FOR THE PERIOD	FOR THE YEAR ENDED MARCH 31,				
	01.04.2009 to 30.09.2009	2009	2008	2007	2006	2005
Cost of Project Management	0.02	0.13	0.12	0.05	0.02	0.03
Consultancy Charges	0.44	0.79	6.72	1.12	0.44	0.13
Service Charges	-*	0.01	0.01	0.01	0.02	0.02
Compensation Claims	-	-	0.08	-	-	0.08
Loss on Sale of Fixed Assets (Net)	-*	-*	0.03	-	-	0.02
Power & Fuel	0.16	0.35	0.12	0.11	0.01	0.01
Rent	0.77	1.10	1.14	0.94	0.21	0.24
Insurance	0.02	0.03	0.09	0.08	0.03	0.01
Rates & Taxes	0.01	-*	-*	-*	0.05	0.04
Repairs & Maintenance	1.23	0.02	0.01	0.05	0.05	0.12
Other Operating Expenses	2.54	7.54	2.61	1.17	1.15	0.46
Provision for Diminution in Value of Investments / (written back)	-	-	*-	-	-*	*-
Deferred Revenue Expenditure Written Off	-	-	-	-	-	0.01
TOTAL	5.19	9.97	10.93	3.53	1.98	1.17
* Represents amount less than Rs. 50,000						

**ANNEXURE - XVIII: STANDALONE STATEMENT OF INTEREST & FINANCE CHARGES (NET),
AS RESTATED**

Rs. in Crores						
PARTICULARS	FOR THE PERIOD	FOR THE YEAR ENDED MARCH 31,				
	01.04.2009 to 30.09.2009	2009	2008	2007	2006	2005
INTEREST AND FINANCE CHARGES (NET)						
Interest Paid						
- Banks	29.77	40.66	21.18	4.86	1.47	3.89
- Inter Corporate Deposits	0.44	0.16	0.32	1.58	0.35	0.82
- Projects and landlords	3.90	6.49	4.45	5.31	4.86	0.98
- Others	0.01	0.21	0.34	0.06	0.90	2.04
Total Interest Paid	34.12	47.52	26.29	11.81	7.58	7.73
Add : Brokerage & other Financial charges	0.16	3.77	0.71	0.64	0.19	0.20
Total Interest & Finance Charges Paid	34.28	51.29	27.00	12.45	7.77	7.93
Less: Interest Received (Gross)						
- Customers	-	0.01	-	_*	-	_*
- Projects and landlords	30.08	42.52	19.17	7.36	2.25	4.34
- Others	2.48	5.91	4.01	0.94	0.22	0.03
Less: Interest Received (Gross)	32.56	48.44	23.18	8.30	2.47	4.37
NET INTEREST	1.72	2.85	3.82	4.15	5.30	3.56
* Represents amount less than Rs. 50,000						

ANNEXURE - XIX : STANDALONE STATEMENT OF DIVIDEND PAID

Rs. in Crores						
PARTICULARS	FOR THE PERIOD	FOR THE YEAR ENDED MARCH 31,				
	01.04.2009 to 30.09.2009	2009	2008	2007	2006	2005
Number of Equity Shares (No. in Crores)	6.04	6.04	6.04	0.64	0.64	0.64
Face Value of Equity Shares - Rs.	10.00	10.00	10.00	10.00	10.00	10.00
Rate of Dividend (%)						
Interim	-	-	-	419%	96%	40%
Proposed - Final	-	25%	100%	-	-	-
Amount of Dividend on Equity Shares						
Interim	-	-	-	27.00	6.20	2.55
Proposed - Final	-	15.10	24.61	-	-	-
Total Tax on Dividend	-	2.57	4.18	3.79	0.87	0.33

ANNEXURE XX: STANDALONE SUMMARY OF ACCOUNTING RATIOS, AS RESTATED

PARTICULARS	Rs. in Crores					
	FOR THE PERIOD	FOR THE YEAR ENDED MARCH 31,				
	01.04.2009 to 30.09.2009	2009	2008	2007	2006	2005
1) Restated Profit (including other income) to income from operations (%)	213.55	72.62	50.70	33.59	25.60	21.13
2) (a) Earnings per share Rs.	7.87	12.20	10.64	7.15	2.30	1.01
(b) Restated earnings per share Rs.	7.88	12.36	12.76	5.04	2.09	1.00
3) (a) Cash earnings per share Rs.	8.04	12.38	10.78	7.26	2.38	1.07
(b) Restated cash earnings per share Rs.	8.05	12.54	12.90	5.16	2.18	1.05
4) (a) Net asset value per share Rs.	57.23	49.36	41.24	90.78	74.24	64.54
(b) Restated net asset value per share Rs.	57.23	49.35	41.07	7.76	8.03	7.16
5) Return on net worth (%)	13.78	25.05	31.07	64.89	26.04	13.91
6) (a) No. of shares *	60,420,259	60,420,259	60,420,259	6,444,545	6,444,545	6,444,545
(b) Weighted Average no. of shares *	60,420,259	60,420,259	58,714,813	58,000,905	58,000,905	58,000,905
* Equity Shares of Rs. 10 each						

Notes :

1) The ratios have been computed as follows :

Restated Profit (including other income) to income from operations (%)=	<u>Adjusted Profit before Tax</u> <u>Income from Operations</u>
Earning per Share - Basic and Diluted =	<u>Adjusted Profit / (Loss) after Tax but before Extraordinary Items</u> Weighted average number of Equity Shares outstanding during the year
Cash Earning per Share =	<u>Adjusted Profit after Tax but before Depreciation</u> Weighted Average Number of Equity Shares Outstanding during the year
Net Asset Value per Share =	<u>Net Worth excluding Revaluation Reserve</u> Weighted Average Number of Equity Shares Outstanding during the year
Return on Net Worth =	<u>Adjusted Profit / (Loss) after Tax but before Extraordinary Items</u> Net Worth excluding Revaluation Reserve

2) Earnings per share has been calculated in accordance with Accounting Standard 20 - Earnings per share issued by The Institute of Chartered Accountants of India

3) Restated profit / (loss) has been considered for the purpose of computing the above ratios.

ANNEXURE XXI: RELATED PARTY DISCLOSURES

Related party disclosures as required by AS - 18, " Related Party Disclosures", are given below:

1 Relationships

(i) Shareholders (Holding Company)

Godrej Industries Limited (GIL) holds 80.26% shares in the company. GIL is the subsidiary of Godrej & Boyce Mfg Co Limited, the Ultimate Holding Company.

(ii) Subsidiary Company at any time during the year

Girikandra Holiday Homes & Resorts Limited (100% upto 28th April 2008)

Godrej Realty Private Limited (51%)

Godrej Waterside Properties Private Limited (51%)

Godrej Developers Private Limited (51%)

Godrej Sea View Properties Private Limited (100%)

Godrej Real Estate Private Limited (100%)

Happy Highrises Limited (51%)

Godrej Estate Developers Private Limited (100%)

(iii) Other Related Parties in Godrej Group, where common control exists:

Vora Soaps Limited

Bahar Agrochem & Feeds Private Limited

Ensemble Holdings & Finance Limited

Godrej Appliances Limited

Godrej Agrovat Limited

Godrej Consumer Products Limited

Godrej Saralee Limited

Godrej Hicare India Limited (upto 31.03.2009)

Godrej SCA Hygiene Limited.

Godrej Hershey Limited

Godrej Infotech Limited

Lawkim Limited

(iv) Key Management Personnel

Mr. Milind Surendra Korde

Mr. Pirojsha A Godrej

(v) **Individuals exercising significant influence :**

Mr. A. B. Godrej

Mr. N. B. Godrej

ANNEXURE XXI : RELATED PARTY DISCLOSURES (CONTD.)

PARTICULARS	Rs. in Crores					
	AS AT		AS AT MARCH 31,			
	30.09.2009	2009	2008	2007	2006	2005
2 Transactions undertaken/ balances outstanding with related parties:						
(i) Holding Company						
Transactions during the year						
Issue of Equity Share Capital	-	-	150.00	-	-	-
Purchase of Fixed Assets	0.08	0.35	0.07	0.29	0.34	0.09
Sale of Fixed Assets	-	-	-	-	-	-
Advances given	-	0.88	0.07	-	-	-
Advance Received against Sale of Flats	7.78	13.55	1.69	-	-	-
Deposits Given	0.10	0.06	0.07	0.10	0.04	-
Deposit Repaid	-	0.04	0.07	-	0.03	-
Inter Corporate Deposits taken	5.50	-	-	-	-	13.00
Inter Corporate Deposits repaid	-	-	-	-	-	(13.00)
Interest Expense on Inter Corporate Deposits taken	(0.18)	-	-	-	-	0.23
Construction & other expenses incurred on behalf of others	0.14	0.11	0.04	0.20	0.17	0.01
Expenses charged by other companies	4.44	11.32	11.06	8.41	2.91	3.41
Expenses re- imursed by other companies	-	-	-	-	-	-
Dividend Paid	12.30	19.62	-	22.06	5.06	2.01
Outstanding receivables, net of payables	(0.35)	(0.90)	(1.70)	(0.56)	0.08	(0.35)
Deposit Receivable	0.26	0.16	0.14	0.14	0.04	0.03
(ii) Subsidiary Companies						
Transactions during the year						
Investment in Equity Shares / Preference Shares	-	0.05	32.54	0.15	0.56	-
Investment in Debentures	-	-	14.79	1.79	5.87	-
Sale of Investments (Preference Shares)	-	21.49	-	-	-	-
Sale of Fixed Assets	-	-	-	-	0.01	-
Advances given	66.05	169.78	139.68	0.42	-	-
Advances received	-	-	-	0.42	-	-
Construction & other expenses incurred on behalf of others	18.15	40.62	98.55	35.90	1.58	-
Expenses charged by other companies	0.48	0.72	-	0.27	-	-
Re payment of Expenses charged by other companies	(7.10)	187.63	18.71	-	-	-
Outstanding Receivables, net of payables	303.63	234.76	251.22	31.15	2.95	2.80

PARTICULARS	AS AT		AS AT MARCH 31,			
	30.09.2009	2009	2008	2007	2006	2005
Debentures Outstanding	22.44	22.44	22.44	7.65	5.87	-

(iii) Entities under the same management

Transactions during the year						
Purchase of Fixed Assets	-	-	-	0.01	0.06	0.01
Inter Corporate Deposit given	-	-	15.00	-	-	-
Inter Corporate Deposit repaid	-	-	15.00	-	-	-
Inter Corporate Deposits taken	-	35.00	-	-	-	-
Inter Corporate Deposits repaid	-	35.00	-	-	-	-
Interest Received on Inter Corporate Deposit	-	-	0.50	-	-	-
Interest Expense on Inter Corporate Deposits taken	-	0.10	-	-	-	-
Expenses charged by other companies	0.02	0.12	0.05	0.08	0.01	0.01
Dividend Paid	0.49	0.81	-	0.91	0.21	0.16
Outstanding receivables, net of payables	-	*_	-	(0.01)	*_	-

(iv) Key management personnel

Transactions during the year						
Remuneration	1.15	1.81	1.90	1.37	0.62	0.43
Reimbursement of Travel expenses	-	0.02	0.02	0.02	0.03	_*
Interest income on Loans given	-	-	-	-	_*	_*
Dividend paid	0.58	0.95	-	0.81	0.18	0.06

* Represents amount less than Rs. 50,000

ANNEXURE XXII: STANDALONE CAPITALISATION STATEMENT

Rs. in Crores			
PARTICULARS	AS AT	AS AT	
	30.09.2009	March 31, 2009	POST ISSUE
Borrowings			
Short term debt	591.40	447.05	578.11*
Long term debt	-	-	70.26
Total debt	591.40	447.05	648.37
Shareholders' funds			
Share capital	60.42	60.42	69.85
Reserves	285.36	237.73	744.78
Total shareholders' funds	345.78	298.15	814.63
Long-term debt/equity ratio			0.09
Total debt/equity ratio	1.71	1.50	0.80
Notes:			
1. Short term debts represent debts which are due within twelve months from September 30, 2009.			
2. Long term debts represent debts other than short term debts, as defined above.			
3. The figures disclosed above are based on the Summary Statement of Assets and Liabilities, as Restated of the Company as at September 30, 2009.			
4. Long Term Debts/ Equity = <u>Long Term Debts</u>			
Shareholders' Funds			
* Short Term Debt Includes funds of Rs. 4.05 Crs raised through Fixed Deposit Scheme for 1 year tenure which are maturing on or before December 12, 2010			

ANNEXURE XXIII: STANDALONE STATEMENT OF TAX SHELTERS

PARTICULARS	Rs. in Crores					
	FOR THE PERIOD	FOR THE YEAR ENDED MARCH 31,				
	01.04.2009 to 30.09.2009	2009	2008	2007	2006	2005
Profit before tax as restated	65.91	106.03	115.32	46.10	17.86	8.80
Tax rate (%)	33.99	33.99	33.99	33.66	33.66	36.59
Tax as per actual rate on profits (A)	22.40	36.04	39.20	15.52	6.01	3.22
Adjustments:						
Permanent differences						
Indexation difference in long term capital gain/ loss	(4.16)	(4.76)	-	-	(0.18)	-
Deduction under section 24 of the Income tax Act, 1961.	*-	*-	*-	(0.01)	(0.42)	(0.28)
Dividend (exempt from tax)	*-	*-	*-	*-	*-	*-
Others	-	-	-	-	*-	(0.01)
Donations	-	*-	-	*-	-	0.03
Difference in Short Term Capital Gain	-	-	-	-	0.02	-
Total permanent difference (B)	(4.16)	(4.76)	*-	(0.01)	(0.58)	(0.26)
Timing difference						
Tax depreciation and book value depreciation	(0.26)	(0.01)	(0.01)	(0.01)	0.05	0.02
Provision for Diminution in value of Investment	-	-	*-	-	*-	*-
Others	(0.04)	*-	0.02	-*	0.01	-
Provision for retirement benefits	0.36	(0.05)	0.10	0.11	0.04	0.01
Total timing difference (C)	0.06	(0.06)	0.11	0.10	0.09	0.03
Total adjustments (B+C) =D	(4.10)	(4.82)	0.11	0.08	(0.48)	(0.23)
Tax payable for the period/ year (A+D)	18.30	31.22	39.31	15.60	5.53	2.99
Current tax	18.30	31.22	39.31	15.60	5.53	2.99
Interest under section 234B, 234C of the Income tax Act, 1961 (as per income tax return)	-	0.07	0.98	1.28	0.20	0.07
Total tax payable	18.30	31.29	40.29	16.88	5.73	3.06
Notes:						
1. The Information pertaining to the years ended 31st March, 2005 to 31st March, 2009 are as per the Return of Income filed by the Company. The information pertaining period ended 30th September, 2009 are as per computation of Income Tax. The effects of Assessment / Appellate orders have not been considered above.						
2. * Represents amount less than Rs. 50,000						

ANNEXURE XXIV: STANDALONE STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

1. Accounting Policies

a) General

The financial statements are prepared under the historical cost convention in accordance with Generally Accepted Accounting Principles in India, the Accounting Standards issued by The Institute of Chartered Accountants of India and the provisions of the Companies Act, 1956.

b) Fixed Assets

Fixed assets are stated at cost of acquisition or construction less accumulated depreciation. Cost includes all incidental expenses related to acquisition and installation, other pre-operation expenses and interest in case of construction.

Carrying amount of cash generating units / assets are reviewed at balance sheet date to determine whether there is any indication of impairment. If such indication exists, the recoverable amount is estimated as the net selling price or value in use, whichever is higher. Impairment loss, if any, is recognized whenever carrying amount exceeds the recoverable amount.

c) Depreciation / Amortization

Depreciation has been provided on Written Down Value basis, at the rates specified in Schedule XIV of the Companies Act, 1956.

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

Leasehold improvements are amortized over a period of lease or five years which ever is less

Intangible Assets are amortized over a period of six years.

d) Investments

Investments are classified into long term and current investments.

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

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

e) Inventories

Inventories are valued as under :

- | | |
|-----------------------------------|------------------------------------|
| a) Completed Flats | - At lower of Cost or Market value |
| b) Construction Work- in-Progress | - At cost |

Construction Work in Progress includes cost of land, premium for development rights, construction costs, allocated interest and expenses incidental to the projects undertaken by the Company.

f) Revenue Recognition

The Company is following the “Percentage of Completion Method” of accounting. As per this method, revenue in Profit & Loss Account at the end of the accounting year is recognized in proportion to the actual cost incurred as against the total estimated cost of projects under execution with the Company.

Determination of revenues under the percentage of completion method necessarily involves making estimates by the Company, some of which are of a technical nature, concerning, where relevant, the percentages of completion, costs to completion, the expected revenues from the project / activity and the foreseeable losses to completion. Such estimates have been relied upon by the auditors.

Revenue on bulk deals on sale of its properties is recognized on execution of documents.

Income from operation of commercial complexes is recognized over the tenure of the lease / service agreement.

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

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

g) Development Manager Fees

The company has been entering into Development & Project Management agreements with landlords. Accounting for income from such projects is done on an accrual basis on percentage of completion or as per the terms of the agreement.

h) Employee Benefits

a) Short-term employee benefits :

All employee benefits payable wholly within twelve months of rendering the service are classified as short-term employee benefits. Benefits such as salaries, wages, performance incentives, etc. are recognized at actual amounts due in the period in which the employee renders the related service.

b) Post-employment benefits:

(i) Defined Contribution Plans:

Payments made to defined contribution plans such as Provident Fund are charged as an expense as they fall due.

(ii) Defined Benefit Plans:

The cost of providing benefits i.e. gratuity is determined using the Projected Unit Credit Method, with actuarial valuations carried out as at the balance sheet date. Actuarial gains and losses are recognized immediately in the Profit & Loss Account.

The fair value of the plan assets is reduced from the gross obligation under the defined benefit plan, to recognize the obligation on net basis.

Past service cost is recognized as expense on a straight-line basis over the average period until the benefits become vested.

(iii) Other long-term employee benefits:

Other long-term employee benefits viz., leave encashment is recognized as an expense in the profit and loss account as and when they accrue. The Company determines the liability using the

Projected Unit Credit Method, with actuarial valuations carried out as at the balance sheet date. Actuarial gains and losses in respect such benefits are charged to the profit and loss account.

Actuarial valuation with respect to Defined Benefit Plans with regard to gratuity and with respect to other long term employee benefits with regard to leave encashment is carried out at the end of each financial year. For the quarter ended September 30, 2009, the company has provided for liability towards gratuity and leave encashment on provisional basis.

i) Borrowing Cost

Interest and finance charges incurred in connection with borrowing of funds, which are incurred for the development of long term projects are transferred to Construction Work in Progress / Due on Management Project, as a part of the cost of the projects at weighted average of the borrowing cost / rates as per Agreements respectively.

Other borrowing costs are recognized as an expense in the period in which they are incurred.

j) Earnings Per Share

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

k) Provision For Taxation

Tax expense comprises both current, deferred & fringe benefit tax.

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

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

l) Foreign Currency Transactions

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

m) Allocation of Expenses

Corporate Employee Remuneration and Administration expenses are allocated to various projects on a reasonable basis as estimated by the management.

n) Miscellaneous Expenditure

Miscellaneous expenditure is amortized over a period of 10 years

o) Provisions and Contingent Liabilities

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

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

ANNEXURE XXV: NOTES TO THE STANDALONE STATEMENTS OF ASSETS AND LIABILITIES AND PROFITS AND LOSSES, AS RESTATED

2) Adjustments Relating to Previous Years

a) Prior year tax adjustment

The Company recorded prior year's tax adjustments, which primarily resulted on completion of assessments made by the Income tax authorities and difference was recorded as credit/ charge in the financial statements. Accordingly the effect of these items has been adjusted in the period to which the tax related to with a corresponding charge/ credit to the recorded period in the "Summary Statement of Profits and Losses", as Restated.

b) Tax Impact Adjustments

The 'Summary Statement of Profit and Losses, as Restated' has been adjusted for respective years in respect of short/ excess provision for Income Tax as compared to the tax payable as per the income tax assessment/ returns filed by the Company for the respective year.

c) Dividend Distribution Tax

The company recorded Dividend Distribution Tax for the year ended March 31, 2004 on payment basis in the year ended March 31, 2005. Accordingly, the same has been adjusted in the period to which the tax relates.

3) Material Reclassification

- a) Upto the year ended March 31, 2004 Net Income from some projects were shown as operating income which has been reclassified as sales and cost of sales. Net investment in these projects were shown as part of loans and advances which has been reclassified under respective assets and liabilities in the balance sheet.

Till the year 2004, profit from the project undertaken by the Company at Pune named as Castlemaine was accounted for as Operating Income. This project has since been reclassified as Sales and Cost of Sales as it was a revenue sharing project and the share of revenue belonging to the Company and the cost of development was required to be accounted in the books of the Company. However, the ultimate amount of profit accruing to the Company remains the same under both the methods of classification, which is mentioned below:

<i>(Rs. in Crores)</i>		
Year 2004	Original Classification	Restated Classification
Operating Income	2.57	-
Sales (A)	-	12.29
Cost of sales (B)	-	9.72
Net Contribution (A-B)	-	2.57

- b) Upto the year ended March 31, 2004 Net Income from some projects were shown as sales and cost of sales which has been reclassified as income from development projects. Net investment in these projects were shown as respective assets and liabilities which has been reclassified as part of loans and advances.

Till the year 2004, profit from the project undertaken by the company at Kalyan named as NLM was accounted for as Sales and Cost of Sales. This project has since been reclassified as Operating Income since the Company was only entitled to a share of profit in the said project. However, the

ultimate amount of profit remains the same under both the methods of classification which is mentioned below:

(Rs. in Crores)

Year 2004	Original Classification	Restated Classification
Operating Income	-	0.19
Sales (A)	3.60	-
Other Income (B)	0.29	-
Cost of sales (C)	3.70	-
Net Contribution (A+B-C)	0.19	-

- c) Upto the year ended March 31, 2006 Income from Development Projects was disclosed separately in the Profit & Loss Account. During the year ended March 31, 2007 the same was classified under Operating Income.

In the Summary Statement of Assets and Liabilities, as Restated and Summary Statement of Profits and Losses, as Restated, for the year ended March 31, 2004 , 2005 and 2006 the same has been regrouped and disclosed accordingly.

4) Profit Loss Account as at April 01, 2004 (Restated)

(Rupees in Crores)

Particulars	Amount
Profit & Loss Account as at April 01, 2004 (Audited)	5.59
Prior period Adjustment	0.01
Deferred tax	-*
Dividend Distribution Tax	(0.26)
Profit and Loss Account as at April 01, 2004 (Restated)	5.35

* Represents amounts less than Rs. 50,000

5) Contingent liabilities :

(Rupees in Crores)

	Matters	As on 30.09.09
a)	Uncalled amount of Rs. 80 & Rs. 30 on 70 & 75 partly paid shares respectively of Tahir Properties Limited	*
b)	Claims against the company not acknowledged as debts represents cases filed by parties in the Consumer forum, Tribunal and High Court and disputed by the Company as advised by our advocates. In the opinion of the management the claims are not sustainable.	0.47
c)	Claims against the Company under the Labour Laws for disputed cases	0.20
d)	Guarantees given by Bank, counter guaranteed by the Company	2.01
e)	Letter of Credit issued on behalf of the Company.	0.12
f)	Claim against the Company under Bombay Stamp Act, 1958	1.49
g)	Claim against the Company under Electricity Act, 2003.	0.60
g)	Claims against the Company under the Income Tax Act, Appeal preferred to Commissioner of Income Tax (Appeals)	10.18

* Represents amounts less than Rs. 50,000

Capital Commitment outstanding as on September 30, 2009 (Net of Advance) is amounting to Rs.6,227,909 (Previous Year, March 31, 2009 Rs. 6,227,909)

6) Inventories

Stock - in - Trade includes shares in the following Companies - at cost or market value (whichever is lower):

		<i>(Rupees in Crores)</i>					
		As on 30.09.09	2008-09	2007-08	2006-07	2005-06	2004-05
TAHIR PROPERTIES LIMITED							
a)	Equity Shares of Rs. 100 each, fully paid up.	-	-	-	*	5.00	4.23
	<i>No. of Shares held</i>	-	-	-	400	32,597	32,597
b)	70 Equity Shares of Rs. 100 each, Rs. 20 paid up.	*	*	*	*	*	*
	<i>No. of Shares held</i>	70	70	70	70	70	70
c)	75 Redeemable Preference Class A shares of Rs.100 each, Rs.70 paid.	*	*	*	*	*	*
	<i>No. of Shares held</i>	75	75	75	75	75	75
GIRIKANDRA HOLIDAY HOMES & RESORTS LIMITED (a subsidiary company)							
	Equity Shares of Rs.1,000 each, fully paid up	NIL	NIL	2.26	1.79	1.79	1.79
	<i>No. of Shares held</i>	NIL	NIL	500	500	500	500

* Represents amounts less than Rs. 50,000

7) Cash & Bank Balances

		<i>(Rupees in Crores)</i>				
Particulars	As on 30.09.09	2008-09	2007-08	2006-07	2005-06	2004-05
Balances with scheduled banks on deposit accounts include amounts received from flat buyers and held in trust on their behalf in a corpus fund.	3.44	3.40	3.94	3.66	3.38	3.38

8) Due on Management Projects

		<i>(Rupees in Crores)</i>				
Particulars	As on 30.09.09	2008-09	2007-08	2006-07	2005-06	2004-05
Due on Management Projects include a sum on account of a project, where the matter is sub-judice with arbitrators.	2.16	2.15	2.09	2.03	2.01	2.00

9) Inventories, Current Assets, Loans and Advances:

- a) Construction Work in Progress and Due on Management projects represents materials at site and unbilled cost on the projects. Based on projections and estimates by the Company of the expected revenues and costs to completion. In the opinion of the management, the net realizable value of the construction work in progress will not be lower than the costs so included.

b) Development Manager Fees

(Rupees in Crores)

Particulars	As on 30.09.09	2008-09	2007-08	2006-07	2005-06	2004-05
The company has been entering into Development Agreements with landlords. Development Manager Fees accrued as per terms of the Agreement are receivable by the Company based upon progress milestones specified in the respective Agreements and have been disclosed as Development Manager Fees accrued but not due in Annexure – X	6.02	6.02	17.02	17.03	19.72	24.96

10) Leases

- a) The Company's significant leasing arrangements are in respect of operating leases for Residential premises. Lease income from operating leases is recognized on a straight-line basis over the period of lease. The particulars of the premises given under operating leases are as under:

(Rupees in Crores)

Particulars	As on 30.09.09	2008-09	2007-08	2006-07	2005-06	2004-05
Gross Carrying Amount of Assets	NIL	NIL	NIL	NIL	NIL	0.15
Accumulated Depreciation	NIL	NIL	NIL	NIL	NIL	0.08
Depreciation for the period	NIL	NIL	NIL	NIL	NIL	*
Stock – in – trade (Refer note below)	NIL	NIL	NIL	NIL	5.00	4.23
Future minimum lease receipts under non-cancelable operating leases						
➤ Not later than 1 year	*	*	*	*	0.30	0.20
➤ Later than 1 year and not later than 5 years	0.01	0.01	0.01	0.01	0.01	0.01

* Represents amounts less than Rs. 50,000

- b) The Company's significant leasing arrangements are in respect of operating leases for Commercial/Residential premises. Lease expenditure for operating leases is recognized on a straight-line basis over the period of lease. The particulars of the premises taken on operating leases are as under: -

(Rupees in Crores)

Particulars	As on 30.09.09	2008-09	2007-08	2006-07	2005-06	2004-05
-------------	-------------------	---------	---------	---------	---------	---------

Future minimum lease payments under non-cancelable operating leases						
➤ Not later than 1 year	2.29	2.32	0.97	1.23	0.64	0.48
➤ Later than 1 year and not later than 5 years	2.66	3.06	0.23	1.20	0.58	0.22
➤ Later than 5 years	0.62	0.71	NIL	NIL	NIL	NIL

11) Employee Stock Option Plan:

In December 2007, the Company, Godrej Properties Limited (GPL), has instituted an Employee Stock Option Plan (GPL ESOP) approved by the Board of Directors, Shareholders and the Remuneration Committee, which provides for the allotment of 442,700 options convertible into 442,700 Equity Shares of Rs. 10 each to eligible employee of Godrej Properties Limited and its subsidiary companies (the participating companies).

The Scheme is administered by an Independent ESOP Trust, which has purchased Shares from Godrej Industries Limited (the holding Company) equivalent to the number of options granted by the participating companies. During the year 2007-08, Godrej Properties Limited provides finance to the ESOP Trust and the trust has purchased 442,700 shares of Godrej Properties Limited.

Particulars	No. of Options	Wt. Average Exercise Price (Rs.)
Options Outstanding at the beginning of the year	442,700	620.00 (plus interest)
Options granted	-	-
Options exercised	-	-
Less : Forfeited / Expired / Lapsed	31,000	-
Options Outstanding at the year end	411,700	620.00 (Plus interest)

The Option granted shall vest after three years from the date of grant of option, provided the employee continues to be in employment and the option is exercisable within two years after vesting.

The employee share based payment plans have been accounted based on the intrinsic value method and no compensation expense has been recognized since, the price of underlying equity share on the grant date is same / less than the exercise price of the option, the intrinsic value of the option, therefore being determined as Nil.

The company has provided loan to Godrej Industries Limited Employee Stock Option Scheme (GIL ESOP), which is administered by an independent ESOP Trust which purchases shares of GIL from the market equivalent to the number of stock options granted from time to time to eligible employees. The repayment of the loans granted by the company to ESOP trust is dependent on the exercise of the options by the employees and the market price of the underlying shares of the unexercised options at the end of the exercise period.

12) Earning Per Share

Particulars	As on 30.09.09	2008-09	2007-08	2006-07	2005-06	2004-05
Profit after tax (Rs. in Crores)	47.63	74.68	74.91	29.22	12.13	5.78
Weighted average number of	60,420,	60,420,	58,714,	58,000,	58,000,	58,000,

Equity Shares outstanding (Numbers)	259	259	813	905	905	905
Basic/Diluted earnings per share (Rs.)	7.89	12.36	12.76	5.04	2.09	1.00
Nominal Value of share (Rs.)	10	10	10	10	10	10

Figures upto 2006-07 have been recomputed due to issue of bonus shares during the year 2007-08

13) Dues To Micro, Small And Medium Industries

Under the Micro, Small and Medium Enterprises Development Act, 2006 which came into force from 2nd October, 2006, certain disclosures are required to be made relating to Micro, Small & Medium Enterprises. The Group is in the process of compiling relevant information from its suppliers about their coverage under the said Act. Since the relevant information is not readily available, no disclosures have been made in the accounts.

14) Deferred Tax

The tax effect of significant temporary differences that resulted in deferred tax assets is: -

Particulars	(Rupees in Crores)				
	2008-09	2007-08	2006-07	2005-06	2004-05
Depreciation on Fixed Assets	0.07	0.08	0.08	0.09	0.06
Others	0.42	0.31	0.29	0.20	0.18
Deferred Tax Asset	0.49	0.38	0.37	0.29	0.23

Deferred Tax Assets / Deferred Tax Liabilities are calculated at the end of each Financial Year. However for the period ended as on 30.09.09, the company has provided Deferred Tax Asset on provisional basis.

15) **Segment Information :** As the company has only one business segment, disclosure under Accounting Standard 17 on "Segment Reporting" issued by the Institute of Chartered Accountants of India is not applicable.

16) Employee Benefits

a. Defined Contribution Plans:

Contribution to Defined Contribution Plan, recognized as expense for the year are as under:

Particulars	(Rupees in Crores)	
	For the Period ended 30.09.09	
Employers' Contribution to Provident Fund	0.38	

b. Defined Benefit Plans:

(i) Contribution to Gratuity Fund

Gratuity is payable to all eligible employees on death or on separation/termination in terms of the provisions of the Payment of Gratuity Act or as per the Group's policy whichever is beneficial to the employees.

The following table sets out the funded status of the gratuity plan and the amounts recognized in the Group's financial statements as at 31 March 2009:

<i>(Rupees in Crores)</i>	
Particulars	2008-09
Change in present value of obligation	
Present value of obligation as at 1st April 2008	0.42
Interest Cost	0.03
Service Cost	0.07
Benefits Paid	(0.04)
Actuarial (gain)/loss on obligation	0.07
Effect of liability Transfer in	0.08
Present value of obligation, as at 31st March 2009	0.65
Amount recognised in the Balance Sheet	
Present value of obligation, as at 31st March 2009	0.65
Fair value of plan assets as at 31st March 2009	-
Net obligation as at 31st March 2009	0.65
Net gratuity cost for the year ended 31st March 2009	
Current Service Cost	0.07
Interest Cost	0.03
Expected return on plan assets	-
Net Actuarial (gain)/loss to be recognised	0.07
Net gratuity cost	0.18
Assumptions used in accounting for the gratuity plan	
	%
Discount Rate	7.75
Salary escalation rate	4.75
Expected rate of return on plan assets	7.75

The estimates of future salary increases, considered in actuarial valuation, take into account inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market

Actuarial valuation in respect of Defined Contribution Plan viz. gratuity is carried out at the end of each financial year. Therefore for the quarter ended September 30, 2009, the company has provided for liability towards gratuity on provisional basis.

17) Information in respect of Joint Ventures
Jointly controlled operations - Development of the following Residential / Commercial Projects:

Coliseum, Mumbai
Woodsman Estate, Bangalore
Gold County, Bangalore
Planet Godrej, Mumbai
Glenelg, Mumbai
Edenwoods, Mumbai
Shivajinagar, Pune
GVD, Kalyan
Avalon Project, Mangalore
Sanjay Khan, Bangalore
Grenville Park, Mumbai

Eternia Chandigarh Project
Godrej Garden City, Ahmedabad
K. Syama Raju, Bangalore
Kochi
Chennai
Bhugaon
Umbarde Kalyan

- 18)** Previous year figures have been regrouped / rearranged where ever necessary to confirm to current year's classification.

Auditors' report as required by Part II of Schedule II of the Companies Act, 1956

**TO THE BOARD OF DIRECTORS,
GODREJ PROPERTIES LIMITED**

Dear Sirs,

1. We have examined the attached consolidated financial information of **Godrej Properties Limited** ("the Company") and its subsidiaries (collectively hereinafter referred to as "the Group"), as approved by the Board of Directors of the Company and the respective subsidiaries, prepared in terms of the requirements of Paragraph B, Part II of Schedule II of the Companies Act, 1956 ("the Act") and Issue of Capital and Disclosures Requirements) Regulations, 2009 as amended to date ("the ICDR Regulations") and terms of our engagement agreed upon with you in accordance with our letter dated October 15, 2009 in connection with the Draft Red Herring Prospectus / Red Herring Prospectus / Prospectus (collectively hereinafter referred to as "Offer document") proposed issue of Equity Shares of the Company.
2. This information has been extracted by the Management from financial statements of the Company and the respective subsidiaries for the year ended March 31, 2009, 2008, 2007, 2006, 2005, and for the period ended on September 30, 2009.
3. We did not audit the financial statements of the subsidiaries for the financial years ended March 31, 2007, 2006 and 2005 whose Financial Statements reflect total assets of Rs. 62.36 Crores and total revenue of Rs. 0.14 Crores for the financial year ended March 31, 2007, Rs. 15.63 Crores and total revenue of Rs. Nil for the financial year ended March 31 2006 and Rs. 2.86 Crores and total revenue of Rs. Nil for the financial year ended March 31, 2005. These financial statements have been audited by another firm **Kalyaniwalla Mistry & Associates, Chartered Accountants** and for the purposes of our examination, we have placed reliance on their reports for the respective years.
4. In accordance with the requirements of Paragraph B of Part II of Schedule II of the Act, the ICDR Regulations and terms of our engagement agreed with you we further report that:
 - a) The Consolidated Summary Statement of Assets and Liabilities, as restated, of the Company and its subsidiaries as at March 31, 2009, 2008, 2007, 2006, 2005 and for the period ended on September 30, 2009 examined by us, as set out in the Annexure I to this report are after making adjustments and regroupings as in our opinion were appropriate and more fully described in Significant Accounting Policies, Notes and Changes in Significant Accounting Policies (Refer Annexure XXIII and XXIV)).
 - b) The Consolidated Summary Statement of Profits or Losses, as restated, of the Company and its subsidiaries for the year ended March 31, 2009, 2008, 2007, 2006, 2005 and for the period ended on September 30, 2009 examined by us, as set out in the Annexure II to this report are after making adjustments and regrouping as in our opinion were appropriate and more fully described in Significant Accounting Policies, Notes and Changes in Significant Accounting Policies (Refer Annexure XXIII and XXIV).
 - c) The Consolidated Summary Statement of Cash Flows, as restated, of the Company and its subsidiaries for the year ended March 31, 2009, 2008, 2007, 2006, 2005 and for the period ended on September 30, 2009 examined by us, as set out in Annexure III to this report are after making adjustments and regroupings as in our opinion were appropriate and more fully described in Significant Accounting Policies, Notes and Changes in Significant Accounting Policies (Refer Annexure XXIII and XXIV).

The Summary Statement of Consolidated Assets and Liabilities, Consolidated Profits and Losses and Consolidated Cash Flows, as restated, and more specifically described in point 3(a), 3(b) and 3(c) above are together hereinafter referred to as 'Restated Financial Information'.

- d) Based on the above, we are of the opinion that the Restated Financial Information has been made after incorporating:
 - i) Adjustments for the changes in accounting policies retrospectively in the respective financial years to reflect the same accounting treatment as per changed accounting policy for all the reporting periods.
 - ii) Adjustments for the material amounts in the respective financial years to which they relate.
 - iii) Further, there are no extra-ordinary items that need to be disclosed separately in the accounts and no audit qualification requiring adjustments.
- e) We have also examined the following consolidated other financial information set out in the Annexures prepared by the management and approved by the Board of Directors relating to the Company and its subsidiaries for the year ended March 31, 2009 2008, 2007, 2006, 2005 for the period ended on September 30, 2009.
 - i) Consolidated Statement of Share Capital, as restated (Annexure IV)
 - ii) Consolidated Statement of Reserves & Surplus, as restated (Annexure V)
 - iii) Consolidated Statement of Secured Loan, as restated (Annexure VI)
 - iv) Consolidated Statement of Unsecured Loan, as restated (Annexure VII)
 - v) Consolidated Statement of Stocks, as restated (Annexure VIII)
 - vi) Consolidated Statement of Debtors, as restated (Annexure IX)
 - vii) Consolidated Statement of Loan and Advances as restated (Annexure X)
 - viii) Consolidated Statement of Cash and Bank Balances, as restated (Annexure XI)
 - ix) Consolidated Statement of Investments, as restated (Annexure XII)
 - x) Consolidated Statement of Current Liabilities and Provisions, as restated (Annexure XIII)
 - xi) Consolidated Statement of Sales and Other Income, as restated (Annexure XIV)
 - xii) Consolidated Statement of Cost of Sales, as Restated (Annexure XV)
 - xiii) Consolidated Statement of Employee Remuneration & Benefits, as restated (Annexure XVI)
 - xiv) Consolidated Statement of Administration Expenses, as restated (Annexure XVII)
 - xv) Consolidated Statement of Interest & Finance Charges (net), as restated (Annexure XVIII)
 - xvi) Consolidated Statement of Dividend Paid (Annexure XIX)
 - xvii) Consolidated Statement of Accounting Ratios, as restated (Annexure XX)
 - xviii) Consolidated Statement of Related Party Disclosures (Annexure XXI)
 - xix) Consolidated Statement of Capitalisation as at March 31, 2009 and September 30, 2009 (Annexure XXII)
 - xx) Consolidated Statement of Significant Accounting Policies, as restated (Annexure XXIII)
 - xxi) Notes to the Consolidated Statement of Assets and Liabilities & Profit and Losses, as restated (Annexure XXIV)

In our opinion, the financial information contained in Annexure IV to XXII of this report read along with the Significant Accounting Policies and Notes and Changes in Significant Accounting Policies (Refer Annexure XXIII and XXIV) prepared after making adjustments and regroupings, as considered

appropriate, have been prepared in accordance with Part IIB of Schedule II of the Act and the SEBI Guidelines.

- 5) Our report is intended solely for the use of the management and for inclusion in the Offer document in connection with proposed issue of Equity Shares of the Company. Our report should not be used for any other purpose, except with our consent in writing.

For and on behalf of,
Kalyaniwalla & Mistry
Chartered Accountants

Ermin K. Irani
Partner
Membership No. 35646
Place: Mumbai
Date: November 16, 2009

ANNEXURE I: CONSOLIDATED SUMMARY STATEMENT OF ASSETS AND LIABILITIES, AS RESTATED

PARTICULARS	Rs. in Crores					
	AS AT	AS AT MARCH 31,				
	30.09.2009	2009	2008	2007	2006	2005
FIXED ASSETS						
Gross Block	30.87	39.84	39.86	6.28	5.39	4.51
Less : Accumulated Depreciation	4.94	3.89	2.82	2.05	1.47	1.43
Net Block	25.93	35.95	37.04	4.23	3.92	3.08
Capital Work in Progress / Advance	-	3.25	0.21	0.21	-	-
	25.93	39.20	37.25	4.44	3.92	3.08
INVESTMENTS						
	_*	_*	_*	_*	_*	_*
DEFERRED TAX ASSET						
	0.51	0.49	0.38	0.37	0.30	0.24
CURRENT ASSETS, LOANS AND ADVANCES						
Inventories	649.59	475.86	284.79	117.20	23.16	19.28
Sundry Debtors	554.64	513.52	405.71	219.79	82.81	40.96
Cash and Bank Balances	7.98	26.87	8.63	16.11	18.51	4.18
Loans & Advances	481.82	396.40	285.36	90.37	71.65	72.82
	1,694.03	1,412.65	984.49	443.47	196.13	137.24
LIABILITIES & PROVISIONS						
Secured Loan	642.00	465.98	120.14	24.74	7.19	18.72
Unsecured Loan	158.69	190.36	152.98	113.71	6.09	25.45
Current Liabilities	562.34	475.66	466.35	252.11	130.71	54.39
Provisions	9.00	19.86	41.09	12.72	9.28	0.47
	1,372.03	1,151.86	780.56	403.28	153.27	99.03
MISCELLANEOUS EXPENDITURE						
Preliminary Expenditure	0.01	0.01	_*	0.01	_*	_*
	0.01	0.01	_*	0.01	_*	_*
NET WORTH						
	348.45	300.49	241.56	45.01	47.08	41.53

PARTICULARS	AS AT		AS AT MARCH 31,			
	30.09.2009	2009	2008	2007	2006	2005
REPRESENTED BY						
SHARE CAPITAL	60.42	60.42	60.42	6.44	6.44	6.44
RESERVES & SURPLUS	286.13	238.39	180.43	38.18	40.15	35.09
MINORITY INTEREST	1.90	1.68	0.71	0.39	0.49	-
NET WORTH	348.45	300.49	241.56	45.01	47.08	41.53
* Represents amount less than Rs. 50,000						

ANNEXURE II: CONSOLIDATED SUMMARY STATEMENT OF PROFITS AND LOSSES, AS RESTATED

Rs. in Crores						
PARTICULARS	FOR THE PERIOD 01.04.2009 to 30.09.2009	FOR THE YEAR ENDED MARCH 31,				
		2009	2008	2007	2006	2005
INCOME						
Sales	41.00	185.18	196.49	117.25	56.77	33.92
Operating Income	15.67	20.08	30.95	19.98	12.99	7.71
Other Income	58.45	44.99	0.07	0.03	0.70	0.22
Total Income	115.12	250.25	227.51	137.26	70.46	41.85
EXPENDITURE						
Cost of Sales	39.88	121.11	86.78	75.84	42.52	26.14
Staff Cost	1.40	3.75	9.80	6.95	2.29	1.85
Administration Expenses	5.20	9.98	10.93	4.08	1.98	1.17
Interest & Finance Charges (Net)	1.32	5.33	3.82	4.05	5.30	3.56
Depreciation	1.05	1.15	0.92	0.70	0.51	0.33
Total Expenditure	48.85	141.32	112.25	91.62	52.60	33.05
PROFIT BEFORE TAX, MINORITY INTEREST AND EXTRAORDINARY ITEMS	66.27	108.93	115.26	45.64	17.86	8.80
EXTRAORDINARY ITEMS	-	-	-	-	-	-
PROFIT AFTER EXTRAORDINARY ITEMS BUT BEFORE TAX AND MINORITY INTEREST	66.27	108.93	115.26	45.64	17.86	8.80
PROVISION						
For Current Tax	(18.42)	(32.31)	(40.29)	(16.92)	(5.74)	(3.07)
For Fringe Benefit Tax	-	(0.17)	(0.13)	(0.08)	(0.05)	-
For Deferred Tax	0.02	0.11	0.01	0.08	0.06	0.05
NET PROFIT AFTER TAX BUT BEFORE MINORITY INTEREST	47.87	76.56	74.85	28.72	12.13	5.78
Minority Interest	(0.13)	(0.93)	0.17	0.10	-	-
NET PROFIT AFTER TAX AND MINORITY INTEREST	47.74	75.63	75.02	28.82	12.13	5.78
Surplus Brought Forward	75.71	25.25	5.27	11.38	7.66	5.35
AMOUNT AVAILABLE FOR APPROPRIATION	123.45	100.88	80.29	40.20	19.79	11.13

PARTICULARS	FOR THE PERIOD 01.04.2009 to 30.09.2009	FOR THE YEAR ENDED MARCH 31,				
		2009	2008	2007	2006	2005
<u>Less:</u>						
Interim Dividend	-	-	-	27.00	6.20	2.55
Proposed Dividend	-	15.10	24.61	-	-	-
Dividend Distribution Tax	-	2.57	4.18	3.79	0.87	0.33
Transfer to General Reserve	-	7.50	7.60	4.14	1.34	0.59
SURPLUS CARRIED FORWARD TO BALANCE SHEET	123.45	75.71	43.90	5.27	11.38	7.66

ANNEXURE III: CONSOLIDATED STATEMENT OF CASH FLOWS, AS RESTATED

Rs. in Crores						
PARTICULARS	FOR THE PERIOD 01.04.2009 to 30.09.2009	FOR THE YEAR ENDED MARCH 31,				
		2009	2008	2007	2006	2005
CASH FLOW FROM OPERATING ACTIVITIES						
Net Profit Before Tax and Minority Interest	66.27	108.93	115.26	45.64	17.86	8.80
Adjustments for:						
Depreciation	1.05	1.15	0.92	0.70	0.51	0.33
Profit / (loss) on disposal of Fixed Assets	_*	_*	0.03	*_	(0.54)	0.02
Preliminary expenses written off	_*	_*	_*	_*	_*	_*
Interest Charges	34.01	54.54	27.47	12.49	7.77	7.93
Interest Income	(32.70)	(52.09)	(23.65)	(8.44)	(2.47)	(4.37)
Dividend Income	(0.01)	_*	_*	_*	_*	_*
Deferred Revenue Expenditure	-	-	-	-	-	0.01
Provision for Diminution in value of Investment / (Written Back)	-	-	*_	-	-	_*
Operating Profit before working capital changes	68.62	112.53	120.03	50.39	23.13	12.72
Adjustments for:						
Changes in Trade and Other receivables	(41.12)	(107.80)	(185.92)	(136.98)	(41.85)	(2.19)
Changes in Loans & Advances	(86.18)	(108.79)	(193.75)	(18.25)	0.83	16.44
Changes in Inventories	(173.73)	(191.07)	(167.59)	(94.04)	(3.88)	4.78
Changes in Current Liabilities & Provisions	87.15	8.35	213.05	121.01	76.36	3.63
CASH GENERATED FROM OPERATIONS	(145.26)	(286.78)	(214.18)	(77.87)	54.59	35.38
Direct Taxes paid	(12.19)	(42.93)	(41.15)	(6.53)	(3.74)	(4.03)
NET CASH FLOW FROM OPERATING ACTIVITIES	(157.45)	(329.71)	(255.33)	(84.40)	50.85	31.35
CASH FLOW FROM INVESTING ACTIVITIES						
Proceeds from disposal of Fixed Assets	15.62	2.26	0.02	0.03	0.78	0.04
Purchase of Fixed Assets	(3.40)	(5.36)	(33.78)	(1.25)	(1.58)	(0.34)
Interest Received	33.46	49.84	22.41	7.97	2.44	4.37
Dividend Received	0.01	_*	_*	_*	_*	_*
NET CASH FLOW FROM INVESTING ACTIVITIES	45.69	46.74	(11.35)	6.75	1.64	4.07
CASH FLOW FROM FINANCING ACTIVITIES						
Proceeds from issue of Equity Shares	-	-	150.00	-	-	-

PARTICULARS	FOR THE PERIOD 01.04.2009 to 30.09.2009	FOR THE YEAR ENDED MARCH 31,				
		2009	2008	2007	2006	2005
Proceeds from issue of Equity Shares to minority	0.10	0.03	0.49	-	0.49	-
Proceeds from issue of debentures	-	-	14.21	1.72	5.63	-
Proceeds from / (Repayment of) Secured Term Loan	140.00	247.73	-	(0.03)	(0.91)	(9.50)
Change in Secured Working Capital Loan	36.02	98.12	81.19	15.86	(16.26)	(9.48)
Proceeds from / (Repayment of) Unsecured Term Loan	(40.00)	25.00	29.00	101.50	(17.00)	(2.50)
Change in Unsecured Working Capital Loan	4.83	12.28	11.06	5.02	-	-
Proceeds from / (Repayment of) Fixed Deposits	-	(1.91)	0.22	0.10	(2.11)	(0.66)
Proceeds from / (Repayment of) Inter Company Deposit	3.50	2.00	(1.00)	1.00	(0.25)	(10.25)
Preliminary Expenses Incurred	-	(0.01)	-	(0.01)	-	-
Interest Paid	(33.91)	(53.24)	(25.97)	(12.05)	(7.75)	(8.00)
Dividend paid (including Tax)	(17.67)	(28.79)	-	(37.86)	-	(5.14)
NET CASH FLOW FROM FINANCING ACTIVITIES	92.87	301.21	259.20	75.25	(38.16)	(45.53)
Net Increase/ (Decrease) in Cash and Cash Equivalents	(18.89)	18.24	(7.48)	(2.40)	14.33	(10.11)
Opening Cash and Cash Equivalents	26.87	8.63	16.11	18.51	4.18	14.29
Closing Cash and Cash Equivalents	7.98	26.87	8.63	16.11	18.51	4.18

* Represents amount less than Rs. 50,000

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

ANNEXURE IV: CONSOLIDATED STATEMENT OF SHARE CAPITAL, AS RESTATED

						Rs. in Crores
PARTICULARS	AS AT		AS AT MARCH 31,			
	30.09.2009	2009	2008	2007	2006	2005
AUTHORISED						
100,000,000 Equity Shares of Rs. 10 each (Previous Year 100,000,000 Equity Shares of Rs. 10 each)	100.00	100.00	100.00	10.00	10.00	10.00
ISSUED, SUBSCRIBED AND PAID UP						
60,420,259 Equity Shares of Rs. 10 each (Previous Year 60,420,259 Equity Shares of Rs. 10 each)	60.42	60.42	60.42	6.44	6.44	6.44
Notes:						
1	Of the above 54,239,845 shares were issued as Bonus Shares by capitalising Share Premium, General Reserve & Profit & Loss Account					
2	Of the above 48,495,209 (Previous Year 48,495,209) shares are held by Godrej Industries Ltd, the Holding Company.					

ANNEXURE - V: CONSOLIDATED STATEMENT OF RESERVES AND SURPLUS, AS RESTATED

Rs. in Crores						
PARTICULARS	AS AT	AS AT MARCH 31,				
	30.09.2009	2009	2008	2007	2006	2005
Share Premium	147.58	147.58	147.58	24.52	24.52	24.52
General Reserve	15.10	15.10	7.60	8.39	4.25	2.91
Surplus as per Profit and Loss Account	123.45	75.71	43.90	5.27	11.38	7.66
Less: Utilised for issue of Bonus Shares during the year	-	-	(18.65)	-	-	-
	123.45	75.71	25.25	5.27	11.38	7.66
TOTAL	286.13	238.39	180.43	38.18	40.15	35.09

NOTE :

During the year 2007 - 08 the Company has utilised General Reserve of Rs. 8.39 Crores, Share Premium of Rs. 24.52 Crores and Surplus as per Profit and Loss Account of Rs.18.65 Crores for issue of Bonus shares & received Share Premium of Rs. 147.58 Crores on issue of Right shares.

ANNEXURE VI: CONSOLIDATED STATEMENT OF SECURED LOANS, AS RESTATED

Rs. in Crores						
PARTICULARS	AS AT	AS AT MARCH 31,				
	30.09.2009	2009	2008	2007	2006	2005
TERM LOANS						
State Bank of Bikaner & Jaipur	-	-	-	-	-	0.43
(Secured by way of equitable mortgage of immovable property of the project undertaken by the Company as Project Manager at Godrej Glenelg - Cuffe Parade)						
UTI Bank Limited	-	-	-	-	0.03	0.50
(Secured by way of equitable mortgage of immovable property of the project undertaken by the Company as Project Manager at Godrej Castlemaine - Pune)						
State Bank of India	187.73	187.73	-	-	-	-
(Secured by charge of development rights of Company's project Godrej Waterside IT Park at Kolkata)						
	187.73	187.73	-	-	0.03	0.93
DEBENTURES						
10% (1% from 01.01.2009) Secured Redeemable Optionally Convertible Debentures of Rs. 10 each (Refer Note No. 5)	21.56	21.56	21.56	7.35	5.63	-
	209.29	209.29	21.56	7.35	5.66	0.93
WORKING CAPITAL LOANS						
State Bank of India	232.71	196.69	98.58	17.39	1.53	0.52
(Secured by way of equitable mortgage of immovable property of the project undertaken by the Company's project at Juhu - Mumbai)						
Bank of Baroda FCNR 'B'	-	-	-	-	-	1.27
(Secured by way of equitable mortgage of immovable property of the project undertaken by the Company as Project Manager at Shivaji Nagar - Pune)						
State Bank of India - Commercial Paper	-	-	-	-	-	16.00

PARTICULARS	AS AT	AS AT MARCH 31,				
	30.09.2009	2009	2008	2007	2006	2005
(Secured by way of equitable mortgage of immovable property of the project undertaken by the Company's project at Juhu - Mumbai)	232.71	196.69	98.58	17.39	1.53	17.79
SHORT TERM LOAN FROM BANKS	200.00	60.00	-	-	-	-
(Secured by way of equitable mortgage of its interest, in the immovable property of the project undertaken by the Company at Chandigarh)						
TOTAL	642.00	465.98	120.14	24.74	7.19	18.72
Of the Above,						
Repayable within a year (Excluding Cash Credit)	300.00	60.00	-	-	0.03	17.36

Notes:

The following table shows the Major Terms and Conditions of the Secured Loan obtained by the Company including the Pre payment Conditions and Lender's right to recall the loan

Lender	Sanctioned Amount (Rs. in Crores)	Utilized Amount (Rs. in Crores)	Rate of Interest	Repayment Date	Security Offered	Prepayment	Pre Mature Withdrawal of Credit Facility
State Bank of India (working Capital Loan)	351.00	184.84(Including the Utilization of Non Fund Based Facility to the extent of 2.13 Crores)	SBAR i.e. 11.75% as on September 30, 2009	23/3/2010	Equitable mortgage of immovable property of the company's project at Juhu, Mumbai. Security by first charge on current assets of the company, Godrej Real Estate Private Limited and Happy Highrises Limited.	Since it is Working Capital Facility it can be repaid any time as the said facility doesn't have any fixed repayment date.	Cancellation of Working Capital Limit unconditionally any time for the reasons mentioned in the sanction letter viz. Non Utilization of Limits, Deterioration of Loan Account and Non Compliance of Terms and Conditions of Sanction.
	50.00	50.00	8.50% Fixed as on September 30, 2009	09/12/2009	Equitable mortgage of immovable property of the	Not Permitted	Cancellation of Working Capital Limit unconditionally any time for the

Lender	Sanctioned Amount (Rs. in Crores)	Utilized Amount (Rs. in Crores)	Rate of Interest	Repayment Date	Security Offered	Prepayment	Pre Mature Withdrawal of Credit Facility
					company's project at Juhu, Mumbai. Security by first charge on current assets of the company, Godrej Real Estate Private Limited and Happy Highrises Limited.		reasons mentioned in the sanction letter viz. Non Utilization of Limits, Deterioration of Loan Account and Non Compliance of Terms and Conditions of Sanction
State Bank of India (Term Loan)	200.00	187.73	SBAR - 1.00% Subject to Minimum of 11.25% per annum as on September 30, 2009	Q1 2011 - 50 Crores Q2 2011 - 50 Crores Q3 2011 - 50 Crores Q4 2011 - Balance	Secured by Charge of development rights of Company's Project Godrej Waterside IT Park at Kolkata	Prepayment without Penalty if paid out of the sale proceeds of the project or at the instance of the bank, otherwise 2% Prepayment Premium of the amount prepaid.	Lender can ask for Lender can ask for Payment of Loan any time only in case of occurrence of one or more other covenants as mentioned in the Facility Agreement dated September 12, 2008 and which in the opinion of the Bank is detrimental to the continuation of Facility.
HDFC Venture Trustee Company Limited - 10% (1% from 01.01.2009) Secured Redeemable Optionally Convertible Debentures of Rs. 10 each	-	21.56	1% per annum	Seven Years from the deemed date of allotment or by a 7 days notice by the Investor seeking pre mature redemption, whichever is earlier.	Secured to the extent of land valued at Rs, 0.06 Crores of the group disclosed under the head "Fixed Assets".	Not Permitted	Lender has the right to seek redemption by giving a 7 days notice to the company.
Central Bank of India	200.00	50.00 10.00 40.00 50.00 50.00	(BPLR-1.00 %) (Curr. @11.00%) as on September 30.2009	19/3/2010 31/3/2010 8/4/2010 10/6/2010 16/07/2010	Equitable mortgage over company's interest in if immovable property of the project undertaken by the Company at Chandigarh.	Prepayment without charges, if paid out of existing projects, otherwise 1% prepayment penalty	Loan can be recalled by Bank at any time only on occurrence of events of defaults as per the sanction letter.

ANNEXURE - VII: CONSOLIDATED STATEMENT OF UNSECURED LOANS, AS RESTATED

PARTICULARS	AS AT 30.09.2009	Rs. in Crores				
		AS AT MARCH 31,				
		2009	2008	2007	2006	2005
SHORT TERM LOANS						
IDBI Bank Limited	-	-	-	-	-	1.00
State Bank of Patiala	-	-	-	-	-	4.50
State Bank of Saurashtra	-	-	-	-	-	2.50
The Bank of Rajasthan Limited	-	-	-	-	-	3.50
State Bank of Travancore	-	-	-	-	-	5.00
UCO Bank	-	-	-	-	4.50	5.00
IDBI Bank Limited	50.00	-	-	6.00	-	-
The Catholic Syrian Bank Ltd	-	-	10.00	-	-	-
Punjab & Sind Bank	20.00	10.00	25.00	25.00	-	-
Central Bank of India	50.00	150.00	100.00	50.00	-	-
J & K Bank Limited	-	-	-	25.00	-	-
	120.00	160.00	135.00	106.00	4.50	21.50
WORKING CAPITAL LOANS						
IDBI Bank Limited	33.19	28.36	16.07	5.02	-	-
	33.19	28.36	16.07	5.02	-	-
FIXED DEPOSITS						
Directors	-	-	1.88	1.53	1.12	0.95
Others	-	-	0.03	0.16	0.47	2.75
	-	-	1.91	1.69	1.59	3.70
INTERCORPORATE DEPOSITS						
	5.50	2.00	-	1.00	-	0.25
	5.50	2.00	-	1.00	-	0.25
TOTAL	158.69	190.36	152.98	113.71	6.09	25.45
Of the Above,						
Repayable within a year (Excluding Cash Credit)	125.50	162.00	136.91	108.76	6.09	25.01

Notes:

The following table shows the Major Terms and Conditions of the Unsecured Loan obtained by the Company including the Pre payment Conditions and Lender's right to recall the loan.

Lender	Sanctioned Amount (Rs. in Crores)	Utilized Amount (Rs. in Crores)	Rate of Interest	Repayment Date	Prepayment	Pre Mature Withdrawal of Credit Facility
IDBI BANK LTD (Working Capital Loan)	60.00 (Including Non interchangeable non fund based limit of Rs. 10 Crores.)	33.19	BPLR - 0.50% i.e. 12.25% as on September 30, 2009	24/3/2010	Since it is Working Capital Facility it can be repaid any time as the said facility doesn't have any fixed repayment date.	Financial Assistance – On Demand
	50.00	50.00	8.75% Fixed as on September 30, 2009	12/11/2009	Not Permitted	STL - On Demand
Central Bank of India (Short Term Loan)	50.00	50.00	At BPLR i.e. 12% as on September 30, 2009	13/11/2009	N.A.	N.A.
ICD - Godrej Industries Limited (Promoter)	5.50	5.50	10% per annum Fixed	5 Crores on 1/1/2010 & 0.50 Crores on 15/02./2010	N.A.	N.A.
Punjab & Sind Bank	50.00	20.00	9.65% Fixed as on September 30, 2009	17/9/2010	Permitted with no prepayment penalty.	It can be called by bank anytime during the tenure of loan.

ANNEXURE - VIII: CONSOLIDATED STATEMENT OF STOCKS, AS RESTATED

PARTICULARS	Rs. in Crores					
	AS AT	AS AT MARCH 31,				
	30.09.2009	2009	2008	2007	2006	2005
Stock in Trade	0.48	0.36	0.17	0.14	5.14	4.37
Construction Work in Progress	649.11	475.50	284.62	117.06	18.02	14.91
TOTAL	649.59	475.86	284.79	117.20	23.16	19.28

ANNEXURE - IX: CONSOLIDATED STATEMENT OF DEBTORS, AS RESTATED

PARTICULARS	Rs. in Crores					
	AS AT	AS AT MARCH 31,				
	30.09.2009	2009	2008	2007	2006	2005
SUNDRY DEBTORS						
(Unsecured, considered good)						
Debts over six months	0.27	031	1.19	1.42	1.59	2.42
	0.27	0.31	1.19	1.42	1.59	2.42
Other debts	554.37	513.21	404.52	218.37	81.22	38.54
	554.37	513.21	404.52	218.37	81.22	38.54
TOTAL	554.64	513.52	405.71	219.79	82.81	40.96

ANNEXURE - X: CONSOLIDATED STATEMENT OF LOANS AND ADVANCES, AS RESTATED

PARTICULARS	Rs. in Crores					
	AS AT	AS AT MARCH 31,				
	30.09.2009	2009	2008	2007	2006	2005
LOANS AND ADVANCES						
(Unsecured, considered good)						
Advances recoverable in cash or in kind or for value to be received						
- Due from companies under the same management	0.26	0.17	0.14	0.14	0.04	0.04
- Due from Directors	-	-	-	-	_*	_*
- Due from Others	45.14	42.08	28.00	23.75	9.12	0.50
Secured (secured against Bank Guarantee)	14.39	18.22	20.99	3.53	-	-
Loans to GIL ESOP Trust	9.13	8.91	7.74	6.28	1.86	-
Loans to GPL ESOP Trust	31.47	28.28	27.52	-	-	-
Development Management Fees accrued but not due	6.02	6.02	17.02	17.03	19.72	24.97
Due on Management Projects	109.18	87.20	118.34	35.97	33.31	35.69
Deposits	263.01	201.53	63.87	3.17	7.57	11.25
Interest Accrued	3.22	3.99	1.74	0.50	0.03	-
Taxes paid (Net of provisions)	-	-	-	-	-	0.37
TOTAL	481.82	396.40	285.36	90.37	71.65	72.82
* Represents amount less than Rs. 50,000						

ANNEXURE - XI: CONSOLIDATED STATEMENT OF CASH AND BANK BALANCES, AS RESTATED

Rs. in Crores						
PARTICULARS	AS AT	AS AT MARCH 31,				
	30.09.2009	2009	2008	2007	2006	2005
Cash & Cheques in hand	0.06	6.65	0.02	1.35	0.06	_*
Bank balances with scheduled banks in:-						
Current Accounts	4.09	6.28	2.53	9.00	1.51	0.37
Fixed Deposits	3.83	13.94	6.08	5.76	16.94	3.81
TOTAL	7.98	26.87	8.63	16.11	18.51	4.18

ANNEXURE XII : CONSOLIDATED STATEMENT OF INVESTMENTS, AS RESTATED

PARTICULARS	Rs. in Crores					
	AS AT	AS AT MARCH 31,				
	30.09.2009	2009	2008	2007	2006	2005
Long Term (At Cost)						
Quoted Investments	_*	_*	_*	_*	_*	_*
In Shares (Net of Provision for Diminution in Value)						
Unquoted Investments	_*	_*	_*	_*	_*	_*
TOTAL	_*	_*	_*	_*	_*	_*
1. Cost of Quoted Investments	_*	_*	_*	_*	_*	_*
2. Market Value of Quoted Investments	0.17	0.06	0.39	0.27	0.01	0.01
* Represents amount less than Rs. 50,000						

ANNEXURE - XIII: CONSOLIDATED STATEMENT OF CURRENT LIABILITIES AND PROVISIONS, AS RESTATED

PARTICULARS	Rs. in Crores					
	AS AT 30.09.2009	2009	2008	2007	2006	2005
CURRENT LIABILITIES						
Acceptances	-	-	-	-	-	0.57
Sundry Creditors	54.97	30.51	21.06	5.96	2.88	4.81
Investor Education and Protection Fund	-	-	-	-	-	-
Advances received against Sale	427.24	375.69	350.96	197.54	76.47	29.29
Deposits	0.02	0.02	0.04	0.04	2.47	2.39
Unclaimed Fixed Deposit	0.05	0.08	0.12	0.17	0.40	0.36
Other liabilities	74.78	61.84	73.24	36.00	22.59	14.84
Due to Management Projects	1.91	4.26	18.96	11.93	25.88	2.13
Interest accrued but not due on loans	3.37	3.26	1.97	0.47	0.02	-*
	562.34	475.66	466.35	252.11	130.71	54.39
PROVISIONS						
Gratuity	0.85	0.65	0.42	0.31	0.28	0.22
Leave Encashment	0.97	0.59	0.48	0.28	0.26	0.25
Interim Dividend	-	-	-	-	6.20	-
Proposed Dividend	-	15.10	24.61	-	-	-
Tax on Dividend	-	2.57	4.18	-	0.87	-
Taxation (Net of advance tax & tax deducted at source)	7.18	0.95	11.40	12.13	1.67	-
	9.00	19.86	41.09	12.72	9.28	0.47
TOTAL	571.34	495.52	507.44	264.83	139.99	54.86
* Represents amount less than Rs. 50,000						

ANNEXURE - XIV: CONSOLIDATED STATEMENT OF SALES AND OTHER INCOME, AS RESTATED

Rs. in Crores						
PARTICULARS	FOR THE PERIOD	FOR THE YEAR ENDED MARCH 31,				
	01.04.2009 to 30.09.2009	2009	2008	2007	2006	2005
Sales	41.00	185.18	196.49	117.25	56.77	33.92
	41.00	185.18	196.49	117.25	56.77	33.92
Operating Income						
Income from Development Projects	8.67	18.84	28.90	7.11	7.67	5.15
Compensation Received	7.00	0.39	1.00	12.00	-	-
Project Management Fees	-	_*	*	_*	_*	_*
Other Income from Customers	-	0.85	1.05	0.35	-	-
Lease Rent	_*	_*	_*	0.52	5.32	2.56
License Fees	_*	_*	_*	_*	_*	_*
	15.67	20.08	30.95	19.98	12.99	7.71
Other Income						
Dividend	0.01	_*	_*	_*	_*	_*
Profit on disposal of Fixed Assets (Net)	-	-	-	_*	0.54	-
Profit on sale of Long Term Investment	58.38	41.99	-	-	-	-
Miscellaneous Income	0.05	0.12	0.07	0.03	0.16	-
Interest Income	0.01	2.88	-	-	-	0.22
	58.45	44.99	0.07	0.03	0.70	0.22
TOTAL	115.12	250.25	227.51	137.26	70.46	41.85
* Represents amount less than Rs. 50,000						

ANNEXURE - XV : CONSOLIDATED STATEMENT OF COST OF SALES, AS RESTATED

PARTICULARS	Rs. in Crores					
	FOR THE PERIOD	FOR THE YEAR ENDED MARCH 31,				
	01.04.2009 to 30.09.2009	2009	2008	2007	2006	2005
Own Projects Cost						
Opening Stock	475.86	284.12	117.20	23.16	19.28	24.07
Add : Expenditure/ Transfers from Advances						
during the year	213.61	314.60	251.08	161.04	40.20	12.81
Less : Transferred to Interest & Finance Charges	-	(1.75)	-	-	-	-
Less : Closing Stock	(649.59)	(475.86)	(284.79)	(117.20)	(23.16)	(19.28)
	39.88	121.11	83.49	67.00	36.32	17.60
Development Project Cost	-	-	3.29	8.84	6.20	8.54
TOTAL	39.88	121.11	86.78	75.84	42.52	26.14

ANNEXURE - XVI: CONSOLIDATED STATEMENT OF EMPLOYEE REMUNERATION & BENEFITS , AS RESTATED

Rs. in Crores						
PARTICULARS	FOR THE PERIOD	FOR THE YEAR ENDED MARCH 31,				
	01.04.2009 to 30.09.2009	2009	2008	2007	2006	2005
Salaries, Wages and Bonus	1.02	3.10	9.29	6.59	1.99	1.59
Contribution to Provident and Other Funds	0.38	0.65	0.43	0.30	0.20	0.15
Other Employee Benefits	-	-*	0.08	0.06	0.10	0.11
TOTAL	1.40	3.75	9.80	6.95	2.29	1.85
* Represents amount less than Rs. 50,000						

ANNEXURE - XVII: CONSOLIDATED STATEMENT OF ADMINISTRATION EXPENSES, AS RESTATED

PARTICULARS	Rs. in Crores					
	FOR THE PERIOD	FOR THE YEAR ENDED MARCH 31,				
	01.04.2009 to 30.09.2009	2009	2008	2007	2006	2005
Cost of Project Management	0.02	0.13	0.12	0.05	0.02	0.03
Consultancy Charges	0.44	0.79	6.72	1.67	0.44	0.13
Service Charges	_*	0.01	0.01	0.01	0.02	0.02
Compensation Claims	-	-	0.08	-	-	0.08
Loss on Sale of Fixed Assets (Net)	_*	_*	0.03	-	-	0.02
Power & Fuel	0.16	0.35	0.12	0.11	0.01	0.01
Rent	0.77	1.10	1.14	0.94	0.21	0.24
Insurance	0.02	0.03	0.09	0.08	0.03	0.01
Rates & Taxes	0.01	_*	_*	_*	0.05	0.04
Repairs & Maintenance	1.23	0.02	0.01	0.05	0.05	0.12
Deferred Revenue Expenditure Written Off	-	-	-	-	_*	0.01
Provision for Diminution in Value of Investments / (written back)	-	-	*_	-	-	* _
Preliminary Expenses written off	_*	_*	_*	_*	_*	_*
Other Operating Expenses	2.55	7.55	2.61	1.17	1.15	0.46
TOTAL	5.20	9.98	10.93	4.08	1.98	1.17
* Represents amount less than Rs. 50,000						

ANNEXURE - XVIII: CONSOLIDATED STATEMENT OF INTEREST & FINANCE CHARGES (NET), AS RESTATED

Rs. in Crores						
PARTICULARS	FOR THE PERIOD	FOR THE YEAR ENDED MARCH 31,				
	01.04.2009 to 30.09.2009	2009	2008	2007	2006	2005
INTEREST AND FINANCE CHARGES (NET)						
Interest Paid						
- Banks	29.77	40.66	21.18	4.86	1.47	3.89
- Inter Corporate Deposits	0.44	0.16	0.32	1.58	0.35	0.82
- Projects and landlords	3.42	6.49	4.45	5.31	4.86	0.98
- Others	0.22	3.46	0.81	0.09	0.90	2.04
Total Interest Paid	33.85	50.77	26.76	11.84	7.58	7.73
Add : Brokerage & other Financial charges	0.16	3.77	0.71	0.65	0.19	0.20
Total Interest & Finance Charges Paid	34.01	54.54	27.47	12.49	7.77	7.93
Less: Interest Received (Gross)						
- Customers	-	0.01	-	-*	-	-*
- Projects and landlords	30.08	42.52	19.46	7.36	2.25	4.34
- Others	2.61	6.68	4.19	1.08	0.22	0.03
Less: Interest Received (Gross)	32.69	49.21	23.65	8.44	2.47	4.37
NET INTEREST	1.32	5.33	3.82	4.05	5.30	3.56
* Represents amount less than Rs. 50,000						

ANNEXURE - XIX: STATEMENT OF DIVIDEND PAID

PARTICULARS	Rs. in Crores					
	FOR THE PERIOD	FOR THE YEAR ENDED MARCH 31,				
	01.04.2009 to 30.09.2009	2009	2008	2007	2006	2005
Number of Equity Shares (No. in Crores)	6.04	6.04	6.04	0.64	0.64	0.64
Face Value of Equity Shares - Rs.	10.00	10.00	10.00	10.00	10.00	10.00
Rate of dividend (%)						
Interim	-	-	-	419%	96%	40%
Proposed - Final	-	25%	100%	-	-	-
Amount of dividend on Equity Shares						
Interim	-	-	-	27.00	6.20	2.55
Proposed - Final	-	15.10	24.61	-	-	-
Total Tax on Dividend	-	2.57	4.18	3.79	0.87	0.33

ANNEXURE XX: CONSOLIDATED STATEMENT OF ACCOUNTING RATIOS, AS RESTATED

PARTICULARS	Rs. in Crores					
	FOR THE PERIOD	FOR THE YEAR ENDED ON MARCH, 31				
	01.04.2009 to 30.09.2009	2009	2008	2007	2006	2005
1) Restated profit (including other income) to income from operations (%)	116.93	53.07	50.68	33.26	25.60	21.13
2)(a) Earnings per share Rs.	7.89	12.35	10.63	7.10	2.30	1.01
(b) Restated earnings per share Rs.	7.90	12.52	12.78	4.97	2.09	1.00
3)(a) Cash earnings per share Rs.	8.07	12.54	10.78	7.22	2.38	1.07
(b) Restated cash earnings per share Rs.	8.08	12.71	12.93	5.09	2.18	1.05
4)(a) Net asset value per share Rs.	57.36	49.47	41.19	90.39	74.24	64.54
(b) Restated net asset value per share Rs.	57.36	49.46	41.02	7.69	8.03	7.16
5) Return on net worth (%)	13.78	25.31	31.15	64.58	26.04	13.91
6)(a) No. of shares *	60,420,259	60,420,259	60,420,259	6,444,545	6,444,545	6,444,545
(b) Weighted Average no. of shares *	60,420,259	60,420,259	58,714,813	58,000,905	58,000,905	58,000,905
* Equity Shares of Rs. 10 each						

Notes :

1) The ratios have been computed as follows :

Restated Profit (Including other income) to Income from Operations (%) =

$\frac{\text{Adjusted Profit before Tax}}{\text{Income from Operations}}$

Earning per Share - Basic and Diluted =

$\frac{\text{Adjusted Profit / (Loss) after Tax but before Extraordinary Items}}{\text{Weighted average number of Equity Shares outstanding during the year}}$

Cash Earning per Share =

$\frac{\text{Adjusted Profit after Tax but before Depreciation}}{\text{Weighted Average Number of Equity Shares Outstanding during the year}}$

Net Asset Value per Share =

$\frac{\text{Net Worth excluding Revaluation Reserve}}{\text{Weighted Average Number of Equity Shares Outstanding during the year}}$

Return on Net Worth =

$\frac{\text{Adjusted Profit / (Loss) after Tax but before Extraordinary Items}}{\text{Net Worth excluding Revaluation Reserve}}$

- 2) Earnings per share has been calculated in accordance with Accounting Standard 20 - Earnings per share issued by The Institute of Chartered Accountants of India
- 3) Restated profit / (loss) has been considered for the purpose of computing the above ratios.

ANNEXURE XXI: RELATED PARTY DISCLOSURES

Related party disclosures as required by AS - 18, " Related Party Disclosures", are given below:

1 Relationships

(i) Shareholders (Holding Company)

Godrej Industries Limited (GIL) holds 80.26% in the company. GIL is the subsidiary of Godrej & Boyce Mfg Co Limited, the Ultimate Holding Company.

(ii) Other Related Parties in Godrej Group, where common control exists:

Vora Soaps Limited
Bahar Agrochem & Feeds Private Limited
Ensemble Holdings & Finance Limited
Godrej Appliances Limited
Godrej Agrovat Limited
Godrej Consumer Products Limited
Godrej Saralee Limited
Godrej Hicare India Limited (upto 31.03.2009)
Godrej Hershey Limited
Lawkim Limited
Godrej Infotech Limited
Godrej SCA Hygiene Limited

(iii) Joint Ventures and Associates

HDFC Venture Trustee Company Limited
Red Fort India Real Estate Babur
Milestone Real Estate Fund.

(iv) Key Management Personnel

Mr. Milind Surendra Korde
Mr. Pirojsha A. Godrej

(v) Individuals exercising significant influence :

Mr. A. B. Godrej
Mr. N. B. Godrej

ANNEXURE XXI: RELATED PARTY DISCLOSURES (CONTD.)

Rs. in Crores						
PARTICULARS	FOR THE PERIOD	FOR THE YEAR ENDED MARCH 31,				
	01.04.2009 to 30.09.2009	2009	2008	2007	2006	2005
2 Transactions undertaken/ balances outstanding with related parties:						
(i) Holding Company						
Transactions during the year						
Issue of Equity Share Capital	-	-	150.00	-	-	-
Purchase of Fixed Assets	0.19	0.35	0.12	0.29	0.34	0.09
Sale of Fixed Assets	-	-	-	-	-	-
Advances given	-	1.43	0.07	-	-	-
Advances received against sale	7.78	13.55	1.69	-	-	-
Deposits given	0.10	0.06	0.07	0.10	0.04	-
Deposits repaid	-	(0.04)	(0.07)	-	(0.03)	-
Inter Corporate Deposits taken	5.50	-	-	-	-	13.00
Inter Corporate Deposits repaid	-	-	-	-	-	(13.00)
Interest Expense on Inter-Corporate Deposits taken	(0.18)	-	-	-	-	0.23
Construction and other expenses incurred on behalf of others	0.14	0.11	0.04	0.20	0.17	0.01
Expenses charged by other companies	6.97	13.47	11.06	8.64	2.91	3.41
Dividend Paid	12.30	19.62	-	22.06	5.06	2.01
Outstanding receivables, net of payables	(0.80)	(0.90)	(1.70)	(0.56)	0.08	(0.35)
Deposit Receivable	0.26	0.16	0.14	0.14	0.04	0.03
(ii) Entities under the same management						
Transactions during the year						
Purchase of Fixed Assets	-	-	-	0.01	0.06	0.01
Inter-Corporate Deposit given	-	-	15.00	-	-	-
Inter-Corporate Deposit repaid	-	-	(15.00)	-	-	-
Expenses charged by other companies	-*	0.12	0.04	0.08	0.01	0.01
Inter Corporate Deposits taken	-	35.00	-	-	-	-
Inter Corporate Deposits repaid	-	(35.00)	-	-	-	-
Interest received on Inter-Corporate Deposits given	-	-	0.50	-	-	-
Interest expense on Inter-Corporate Deposits taken	-	0.10	-	-	-	-
Dividend Paid	0.49	0.81	-	0.92	0.21	0.16
Outstanding receivables, net of payables	-	-*	-*	-*	-*	-
(iii) Joint Ventures and Associates						

PARTICULARS	FOR THE PERIOD	FOR THE YEAR ENDED MARCH 31,				
		2009	2008	2007	2006	2005
	01.04.2009 to 30.09.2009					
Transactions during the year						
Issue of Equity Share Capital	-	21.50	0.49	-	0.49	-
Sale of Equity Shares	86.10	20.52	-	-	-	-
Issue of Debentures	-	-	14.21	1.72	5.64	-
Interest on Debentures	0.11	1.68	1.77	0.57	0.02	-
Outstanding receivables, net of payables	(3.37)	(3..27)	(1.97)	(0.47)	(5.66)	-
Debentures Outstanding	21.56	21.56	21.56	7.35	5.64	-
(iv) Key management personnel						
Transactions during the year						
Remuneration	1.15	1.81	1.90	1.37	0.62	0.43
Re-imbursement of Travel expenses	-	0.02	0.02	0.02	0.03	_*
Interest income on Loans given	-	-	-	-	_*	_*
Dividend paid	0.58	0.95	-	0.81	0.18	0.06
* Represents amount less than Rs. 50,000						

ANNEXURE XXII : CONSOLIDATED CAPITALISATION STATEMENT

PARTICULARS	Rs. in Crores		
	AS AT 30.09.2009	AS AT MARCH 31, 2009	POST ISSUE
Borrowings			
Short term debt	691.40	447.05	678.11*
Long term debt	109.29	209.29	179.55
Total debt	800.69	656.34	857.66
Shareholders' funds			
Share capital	60.42	60.42	69.85
Reserves	286.13	238.39	745.55
Total shareholders' funds	346.55	298.81	815.40
Long term debt/equity ratio	0.32	0.70	0.22
Total debt equity ratio	2.31	2.70	1.05

Notes:

1. Short term debts represent debts which are due within twelve months from September 30, 2009.

2. Long term debts represent debts other than short term debts, as defined above.

3. The figures disclosed above are based on the Restated -consolidated Summary Statement of Assets and Liabilities of the Company as at September 30, 2009.

4. Long Term Debts/ Equity = $\frac{\text{Long Term Debts}}{\text{Shareholders' Funds}}$

Shareholders' Funds

* Short Term Debt Includes funds of Rs. 4.05 Crs raised through Fixed Deposit Scheme for 1 year tenure which are maturing on or before December 12, 2010

ANNEXURE XXIII: CONSOLIDATED STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES, AS RESTATED

1) Accounting Policies

a) Principle of Consolidation

The Consolidated Restated Financial Statements of the Group have been prepared in accordance with Accounting Standard (AS 21) "Consolidated Financial Statements", issued by the Institute of Chartered Accountants of India ('ICAI')

The Consolidated Financial Statements include the financial statements of the Company and all its subsidiaries, which are more than 50 percent owned or controlled as on September 30, 2009, March 31, 2009, 2008, 2007, 2006 and 2005.

The Consolidated Financial Statements have been combined on a line-by-line basis by adding the book values of like items of assets, liabilities, income and expenses after eliminating intra-group balances/transactions and resulting unrealized profits in full.

In the Consolidated Financial Statements, 'Goodwill' represents the excess of the cost to the Company of its investments in the subsidiaries over its share of equity, at the respective dates on which investments are made. Alternatively, where the share of equity as on the date of investments is in excess of cost of investments it is recognized as 'Capital Reserve' in the Consolidated Financial Statements. 'Minority Interest' represents the amount of equity attributable to minority shareholders at the date on which investment in a subsidiary is made and its share of movements in the equity since that date. Any excess consideration received from minority shareholders of subsidiaries over the amount of equity attributable to the minority on the date of investment is reflected under Reserves and Surplus.

b) General

The financial statements are prepared under the historical cost convention in accordance with Generally Accepted Accounting Principles in India, the Accounting Standards issued by The Institute of Chartered Accountants of India and the provisions of the Companies Act, 1956.

c) Fixed Assets

Fixed assets are stated at cost of acquisition or construction less accumulated depreciation. Cost includes all incidental expenses related to acquisition and installation, other pre-operation expenses and interest in case of construction.

Carrying amount of cash generating units / assets are reviewed at balance sheet date to determine whether there is any indication of impairment. If such indication exists, the recoverable amount is estimated as the net selling price or value in use, whichever is higher. Impairment loss, if any, is recognized whenever carrying amount exceeds the recoverable amount.

d) Depreciation / Amortization

Depreciation has been provided on Written Down Value basis, at the rates specified in Schedule XIV of the Companies Act, 1956.

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

Leasehold improvements are amortized over a period of lease or five years whichever is less.

Intangible Assets are amortized over a period of six years.

e) Investments

Investments are classified into long term and current investments.

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

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

f) Inventories

Inventories are valued as under :

- c) Completed Flats - At lower of Cost or Market value
- d) Construction Work- in-Progress - At cost

Construction Work in Progress includes cost of land, premium for development rights, construction costs, allocated interest and expenses incidental to the projects undertaken by the Company.

g) Revenue Recognition

The Company is following the “Percentage of Completion Method” of accounting. As per this method, revenue in Profit & Loss Account at the end of the accounting year is recognized in proportion to the actual cost incurred as against the total estimated cost of projects under execution with the Company.

Determination of revenues under the percentage of completion method necessarily involves making estimates by the Company, some of which are of a technical nature, concerning, where relevant, the percentages of completion, costs to completion, the expected revenues from the project / activity and the foreseeable losses to completion. Such estimates have been relied upon by the auditors.

Revenue on bulk deals on sale of its properties is recognized on execution of documents.

Income from operation of commercial complexes is recognized over the tenure of the lease / service agreement.

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

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

h) Development Manager Fees

The company has been entering into Development & Project Management agreements with landlords. Accounting for income from such projects is done on an accrual basis on percentage of completion or as per the terms of the agreement.

i) Employee Benefits

a) Short-term employee benefits:

All employee benefits payable wholly within twelve months of rendering the service are classified as short term employee benefits. Benefits such as salaries, wages, performance incentives etc. are recognised at actual amounts due in the period in which the employee renders the related service.

b) Post-employment benefits:

(i) Defined Contribution Plans:

Payments made to defined contribution plans such as Provident Fund are charged as an expense as they fall due.

(ii) Defined Benefit Plans:

The cost of providing benefits i.e. gratuity is determined using the Projected Unit Credit Method, with actuarial valuations carried out as at the balance sheet date. Actuarial gains and losses are recognised immediately in the Profit & Loss Account.

The fair value of the plan assets is reduced from the gross obligation under the defined benefit plan, to recognize the obligation on net basis.

Past service cost is recognised as expense on a straight-line basis over the average period until the benefits become vested.

(iii) Other long-term employee benefits:

Other long-term employee benefits viz., leave encashment is recognised as an expense in the profit and loss account as and when they accrue. The Company determines the liability using the Projected Unit Credit Method, with actuarial valuations carried out as at the balance sheet date. Actuarial gains and losses in respect such benefits are charged to the profit and loss account.

Actuarial valuation with respect to Defined Benefit Plans with regard to gratuity and with respect to other long term employee benefits with regard to leave encashment is carried out at the end of each financial year for the quarter ended September 30, 2009. The company has provided for liability towards gratuity and leave encashment on provisional basis.

j) Borrowing Cost

Interest and finance charges incurred in connection with borrowing of funds, which are incurred for the development of long term projects, are transferred to Construction Work in Progress / Due on Management Project, as a part of the cost of the projects at weighted average of the borrowing cost / rates as per Agreements respectively.

Other borrowing costs are recognized as an expense in the period in which they are incurred.

k) Earnings Per Share

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

l) Provision For Taxation

Tax expense comprises both current, deferred & fringe benefit tax.

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

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

m) Foreign Currency Transactions

Transactions in foreign currency are recorded at the exchange rates prevailing on the date of the transaction. Assets and liabilities related to foreign currency transactions, remaining unsettled at the year end, are translated at the year end exchange rates. Forward exchange contracts, remaining unsettled at the year end, backed by underlying assets or liabilities are also translated at year end exchange rates. The premium payable on foreign exchange contracts is amortised over the period of the contract. Exchange gains / losses are recognised in the Profit and Loss Account.

n) Allocation of Expenses

Corporate Employee Remuneration and Administration expenses are allocated to various projects on a reasonable basis as estimated by the management.

o) Miscellaneous Expenditure

Miscellaneous expenditure is amortized over a period of 10 years

p) Provisions and Contingent Liabilities

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

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

ANNEXURE XXIV: NOTES TO THE CONSOLIDATED SUMMARY STATEMENTS OF ASSETS AND LIABILITIES AND PROFITS AND LOSSES, AS RESTATED

2) Adjustments Relating to Previous Years

d) Prior year tax adjustment

The Company recorded prior year's tax adjustments, which primarily resulted on completion of assessments made by the Income tax authorities and difference was recorded as credit/ charge in the financial statements. Accordingly the effect of these items has been adjusted in the period to which the tax related to with a corresponding charge/ credit to the recorded period in the "Consolidated Summary Statement of Profits and Losses", as Restated.

e) Tax Impact Adjustments

The "Consolidated Summary Statement of Profit and Losses, as Restated" has been adjusted for respective years in respect of short/ excess provision for Income Tax as compared to the tax payable as per the income tax assessment/ returns filed by the Company for the respective year.

f) Minority Interest

The effect of changes in Prior Year Tax Adjustments has been given to Minority Interest to the extent of their share of profit. As a result the net carrying amount of Minority Interest has been restated to that extent.

3) Information on subsidiaries:

The subsidiary companies considered in the consolidated financial statements are (collectively referred as "the Group"):

Sr. No.	Name of the Company	Country of Incorporation	Percentage of Holding					
			As on 30.09.09	2008-09	2007-08	2006-07	2005-06	2004-05
1.	Girikandra Holiday Homes & Resorts Limited	India	NIL	NIL	100%	100%	100%	100%
2.	Godrej Realty Private Limited	India	51%	51%	51%	51%	51%	Nil
3.	Godrej Waterside Properties Private Limited	India	51%	51%	51%	100%	100%	Nil
4.	Godrej Real Estate Private Limited	India	100%	100%	100%	100%	Nil	Nil
5.	Godrej Developers Private Limited	India	51%	51%	100%	100%	Nil	Nil
6.	Godrej Sea	India	100%	100%	100%	100%	Nil	Nil

	View Properties Private Limited							
7.	Happy Highrises Limited	India	51%	100%	100%	Nil	Nil	Nil
8.	Godrej Estate Developers Private Limited	India	100%	100%	Nil	Nil	Nil	Nil

4) Contingent Liabilities:

(Rupees in Crores)

	Matters	As on 30.09.09
a)	Uncalled amount of Rs. 80 & Rs. 30 on 70 & 75 partly paid shares respectively of Tahir Properties Limited	_*
b)	Claims against the Group not acknowledged as debts represents cases filed by parties in the Consumer forum, Tribunal and High Court and disputed by the Group as advised by our advocates. In the opinion of the management the claims are not sustainable.	0.47
c)	Claims against the Company under the Labour Laws for disputed cases	0.20
d)	Guarantees given by Bank , counter guaranteed by the Company	2.01
e)	Letter of Credit issued on behalf of the company.	0.12
f)	Claim against the Company under Bombay Stamp Act,1958	1.49
g)	Claim against the Company under Electricity Act, 2003	0.60
h)	Claims against the Company under Income Tax Act, Appeal preferred to Commissioner of Income Tax (Appeals)	10.18

* Represents amounts less than Rs. 50,000

Capital Commitment outstanding as on September 30, 2009 (Net of Advance) is amounting to Rs. 6,227,909 (Previous Year, March 31, 2009 Rs. 6,227,909)

5) Secured Loans

(Rupees in Crores)

Sr. No.	Particulars	Issuer	Deemed Date of Allotment	Units	Amount
1.	10% (1% w.e.f.01.01.2009) secured redeemable optionally convertible debentures	Godrej Realty Private Limited	16 th March 2006 12 th March 2007	5,635,000 1,715,000	5.63 1.72
	Total			7,350,000	7.35
2.	10% (1% w.e.f.01.01.2009) secured redeemable optionally convertible debentures	Godrej Waterside Properties Private Limited	4 th July 2007	14,210,000	14.21

The subsidiary companies (“ the Issuer company”) had issued debentures to HDFC Venture Trustee Company Limited, which are redeemable at the end of the 7 years from the deemed date of allotment and are secured to the extent of land valued at Rs. 0.06 Crores of the Group disclosed under the head “Fixed Assets”.

Further, the subsidiary companies have created a Debenture Redemption Reserve as required under section 117 (C) of the Companies Act, 1956 during the year 2008-09.

6) Inventories

Stock – in – Trade includes shares in the following Companies – at cost or market value (whichever is lower):

		<i>(Rupees in Crores)</i>					
Particulars		As on 30.09.09	2008-09	2007-08	2006-07	2005-06	2004-05
TAHIR PROPERTIES LIMITED							
a)	Equity Shares of Rs. 100 each, fully paid up.	-	-	-	0.04	5.00	4.23
	<i>No. of Shares held</i>	-	-	-	400	32,597	32,597
b)	70 Equity Shares of Rs. 100 each, Rs. 20 paid up.	*	*	*	*	*	*
	<i>No. of Shares held</i>	70	70	70	70	70	70
c)	75 Redeemable Preference Class A shares of Rs.100 each, Rs.70 paid.	*	*	*	*	*	*
	<i>No. of Shares held</i>	75	75	75	75	75	75

* * * Represents amounts less than Rs. 50,000

7) Cash & Bank Balances

		<i>(Rupees In Crores)</i>					
Particulars		As on 30.09.09	2008-09	2007-08	2006-07	2005-06	2004-05
Balances with scheduled banks on deposit accounts include amounts received from flat buyers and held in trust on their behalf in a corpus fund.		3.44	3.40	3.94	3.66	3.38	3.38

8) Due on Management Projects

		<i>(Rupees in Crores)</i>					
Particulars		As on 30.09.09	2008-09	2007-08	2006-07	2005-06	2004-05
Due on Management Projects include a sum on account of a project, where the matter is sub-judice with arbitrators.		2.16	2.15	2.09	2.03	2.01	2.00

9) Inventories, Current Assets, Loans And Advances:

- c) Construction Work in Progress and Due on Management projects represents materials at site and unbilled cost on the projects. Based on projections and estimates by the Group of the expected revenues and costs to completion. In the opinion of the management, the net realizable value of the construction work in progress will not be lower than the costs so included.

d) Development Manager Fees

(Rupees in Crores)

Particulars	As on 30.09.09	2008-09	2007-08	2006-07	2005-06	2004-05
The company has been entering into Development Agreements with landlords. Development Manager Fees accrued as per terms of the Agreement are receivable by the Company based upon progress milestones specified in the respective Agreements and have been disclosed as Development Manager Fees accrued but not due in Annexure-X	6.02	6.02	17.02	17.03	19.72	24.96

10) Leases

- a) The Group's significant leasing arrangements are in respect of operating leases for Residential premises. Lease income from operating leases is recognized on a straight-line basis over the period of lease. The particulars of the premises given under operating leases are as under:

(Rupees in Crores)

Particulars	As on 30.09.09	2008-09	2007-08	2006-07	2005-06	2004-05
Gross Carrying Amount of Assets	NIL	NIL	NIL	NIL	NIL	0.15
Accumulated Depreciation	NIL	NIL	NIL	NIL	NIL	0.08
Depreciation for the period	NIL	NIL	NIL	NIL	NIL	*
Stock – in – trade (Refer note below)	NIL	NIL	NIL	NIL	5.00	4.23
Future minimum lease receipts under non-cancelable operating leases						
➤ Not later than 1 year	*	*	*	*	0.30	0.20
➤ Later than 1 year and not later than 5 years	0.01	0.01	0.01	0.01	0.01	0.01

- b) The Group's significant leasing arrangements are in respect of operating leases for Commercial/Residential premises. Lease expenditure for operating leases is recognized on a straight-line basis over the period of lease. The particulars of the premises taken on operating leases are as under:

(Rupees in Crores)

Particulars	As on 30.09.09	2008-09	2007-08	2006-07	2005-06	2004-05
Future minimum lease payments under non- cancelable operating leases						
➤ Not later than 1 year	2.54	2.46	1.06	1.23	0.64	0.48
➤ Later than 1 year and not later than 5 years	3.14	3.59	0.23	1.20	0.58	0.22

➤ Later than 5 years	0.62	0.71	NIL	NIL	NIL	NIL
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11) Employee Stock Option Plan :

In December 2007, the Company, Godrej Properties Limited (GPL), has instituted an Employee Stock Option Plan (GPL ESOP) approved by the Board of Directors, Shareholders and the Remuneration Committee which provides for the allotment of 442,700 options convertible into 442,700 Equity Shares of Rs. 10 each to eligible employee of Godrej Properties Limited and its subsidiary companies (the participating companies).

The Scheme is administered by an Independent ESOP Trust which has purchased Shares from Godrej Industries Limited (the holding Company) equivalent to the number of options granted by the participating companies. During the –year 2007-08, finance is provided by Godrej Properties Limited to the ESOP Trust and the trust has purchased 442,700 shares of Godrej Properties Limited.

Particulars	No. of Options	Wt. Average Exercise Price (Rs.)
Options Outstanding at the beginning of the year	442,700	620.00 (plus interest)
Options granted		
Options exercised	-	-
Less : Forfeited / Expired / Lapsed	31,000	-
Options Outstanding at the year end	411,700	620.00 (plus interest)

The Option granted shall vest after three years from the date of grant of option, provided the employee continues to be in employment and the option is exercisable within two years after vesting.

The employee share based payment plans have been accounted based on the intrinsic value method and no compensation expense has been recognized since, the price of underlying equity share on the grant date is same / less than the exercise price of the option, the intrinsic value of the option, therefore being determined as Nil.

The company, Godrej Properties Limited (GPL), has provided loan to Godrej Industries Limited Employee Stock Option Scheme (GIL ESOP), which is administered by an independent ESOP Trust which purchases shares of GIL from the market equivalent to the number of stock options granted from time to time to eligible employees of Godrej Properties Limited and its subsidiary companies (the participating companies). The repayment of the loans granted by the company to ESOP trust is dependent on the exercise of the options by the employees and the market price of the underlying shares of the unexercised options at the end of the exercise period.

12) Earnings Per Share

Particulars	As on 30.09.09	2008-09	2007-08	2006-07	2005-06	2004-05
Profit after tax (Excluding Minority Interest as per Profit & Loss Account) (Rs. in Crores)	47.74	75.63	75.02	28.82	12.13	5.78
Weighted average number of Equity Shares outstanding (Numbers)	60,420, 259	60,420, 259	58,714, 813	58,000, 905	58,000, 905	58,000, 905
Basic/Diluted earnings per	7.90	12.52	12.78	4.97	2.09	1.00

share (Rs.)						
Nominal Value of share (Rs.)	10	10	10	10	10	10

Figures upto 2006-07 have been recomputed due to issue of bonus shares during the year 2007-08.

13) Dues To Micro, Small And Medium Industries

Under the Micro, Small and Medium Enterprises Development Act, 2006 which came into force from 2nd October, 2006, certain disclosures are required to be made relating to Micro, Small & Medium Enterprises. The Group is in the process of compiling relevant information from its suppliers about their coverage under the said Act. Since the relevant information is not readily available, no disclosures have been made in the accounts.

14) Deferred Tax

The tax effect of significant temporary differences that resulted in deferred tax assets are:

<i>(Rupees in Crores)</i>					
Particulars	2008-09	2007-08	2006-07	2005-06	2004-05
Depreciation on Fixed Assets	0.07	0.07	0.08	0.09	0.05
Others	0.42	0.31	0.29	0.20	0.18
Deferred Tax Asset	0.49	0.38	0.37	0.29	0.23

Deferred Tax Assets / Deferred Tax Liabilities are calculated at the end of each Financial Year. However for the period ended as on 30.09.09, the company has provided Deferred Tax Asset on provisional basis.

15) Segment Information :

As the Group has only one business segment, disclosure under Accounting Standard 17 on "Segment Reporting" issued by the Institute of Chartered Accountants of India is not applicable.

16) Employee Benefits

a. Defined Contribution Plans:

Contribution to Defined Contribution Plan, recognized as expense for the year are as under:

<i>(Rupees in Crores)</i>	
Particulars	For the Period ended 30.09.09
Employers' Contribution to Provident Fund	0.38

b. Defined Benefit Plans:

(i) Contribution to Gratuity Fund

Gratuity is payable to all eligible employees on death or on separation/termination in terms of the provisions of the Payment of Gratuity Act or as per the Group's policy whichever is beneficial to the employees.

The following table sets out the funded status of the gratuity plan and the amounts recognized in the Group's financial statements as at 31 March 2009:

<i>(Rupees in Crores)</i>	
Particulars	2008-09

Change in present value of obligation	
Present value of obligation as at 1st April 2008	0.42
Interest Cost	0.03
Service Cost	0.07
Benefits Paid	(0.04)
Effect of Liability transfer in	0.08
Actuarial (gain)/loss on obligation	0.07
Present value of obligation, as at 31st March 2009	0.65
Amount recognised in the Balance Sheet	
Present value of obligation, as at 31st March 2009	0.65
Fair value of plan assets as at 31st March 2009	-
Net obligation as at 31st March 2009	0.65
Net gratuity cost for the year ended 31st March 2009	
Current Service Cost	0.07
Interest Cost	0.03
Expected return on plan assets	-
Net Actuarial (gain)/loss to be recognised	0.07
Net gratuity cost	0.18
Assumptions used in accounting for the gratuity plan	
	%
Discount Rate	7.75
Salary escalation rate	4.75
Expected rate of return on plan assets	7.75

The estimates of future salary increases, considered in actuarial valuation, take into account inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market

Actuarial valuation in respect of Defined Contribution Plan viz. gratuity is carried out at the end of each financial year. Therefore for the quarter ended September 30, 2009, the company has provided for liability towards gratuity on provisional basis.

17) Information in respect of Joint Ventures

Jointly Controlled Operations - Development of the following Residential / Commercial Projects:

Coliseum, Mumbai
Woodsman Estate, Bangalore
Gold County, Bangalore
Planet Godrej, Mumbai
Glenelg, Mumbai
Edenwoods, Mumbai
Shivajinagar, Pune
GVD, Kalyan
Avalon Project Mangalore
Sanjay Khan, Bangalore
Grenville Park, Mumbai
Eternia Chandigarh
Godrej Garden City, Ahmedabad
K. Syama Raju, Bangalore

Kochi
Waterside IT Park
Godrej Genesis, Kolkata
Bhugaon
Umbarde Kalyan
Godrej Genesis Pune

- 18)** Previous year figures have been regrouped / rearranged where ever necessary to confirm to current year's classification.

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

The following discussion and analysis of our financial condition and results of operations is based upon, and should be read in conjunction with, our restated consolidated financial statements for the fiscal years 2009, 2008, 2007, 2006 and 2005 and for the period ended September 30, 2009, including the schedules, annexures and notes thereto and the reports thereon, beginning on page 196 of this Prospectus. These financial statements are based on our audited consolidated financial statements and are restated in accordance with paragraph B(1) of Part II of Schedule II of the Companies Act and the SEBI Guidelines. Our audited consolidated financial statements are prepared in accordance with Indian GAAP. Our fiscal year ends on March 31 of each year. Accordingly, all references to a particular fiscal year are to the twelve month period ended March 31 of that year.

The following discussion and analysis contains forward-looking statements that involve risks and uncertainties. For additional information regarding such risks and uncertainties, see "Forward-Looking Statements" and "Risk Factors" beginning on page xiv and page xv of this Prospectus.

Overview

We are one of the leading real estate development companies in India (Source: *Construction World* – "India's Top 10 Builders") and are based in Mumbai, Maharashtra. We currently have real estate development projects in 10 cities in India, which are at various stages of development. Currently, our business focuses on residential, commercial and township developments. We are a fully integrated real estate development company involved in all activities associated with the development of residential and commercial real estate. We undertake our projects through our in-house team of professionals and by partnering with companies with domestic and international operations (See our Operation Methodology flow chart on page 100 of this Prospectus).

Our parent company, Godrej Industries Limited, currently holds 80.26% of our equity share capital. Godrej Industries Limited is the listed flagship company of the Godrej group of companies. The Godrej group of companies includes Godrej & Boyce Manufacturing Company Limited and is one of the leading conglomerates in India. The Godrej group was awarded the "Corporate Citizen of the Year" award by the Economic Times in 2003 and the Godrej brand was selected as the fourth best brand in India in The Week magazine's 'Mood of the Nation @ 60' survey published on August 19, 2007.

Our residential portfolio consists of various types of accommodation of varying sizes. In our commercial portfolio, we build office space catering to blue-chip Indian and international companies, IT parks catering to the requirements of IT/ITES companies and retail space. Our township portfolio includes integrated townships consisting of residential and commercial developments. During the fiscal year 2009, our total revenue contribution from operation of our commercial activities, residential activities and other income operations was Rs. 167.66 Crores, Rs. 59.59 Crores and Rs. 23.01 Crores, respectively.

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

"Developable Area" refers to the total area which we develop in each project, and includes carpet area, common area, service and storage area, as well as other open area, including car parking. Such area, other than car parking space, is often referred to in India as "super built-up" area. "Saleable Area" refers to the part of the Developable Area relating to our economic interest in such property. As of October 31, 2009, we have completed a total of 23 projects comprising 16 residential and seven commercial projects, aggregating approximately 5.13 million sq. ft. of Developable Area.

Our Land Reserves may be broadly classified into land to be developed by us as "ongoing projects", which are projects for which approval to begin construction has been granted by the relevant authority ("Ongoing

Projects”), and “forthcoming projects”, which are projects for which (i) land has been acquired or a memorandum of understanding or development agreement has been executed; (ii) conversion from agricultural land has been completed, if necessary, or an application for change in status to non-agricultural/commercial/residential use has been submitted, or is in the process of being submitted to the relevant authority; and (iii) internal project development plans are complete (“Forthcoming Projects”).

Our total Land Reserves currently stand at 391.04 acres, aggregating to approximately 82.74 million sq. ft. of Developable Area and 50.21 million sq. ft. of Saleable Area, which includes our Ongoing Projects and Forthcoming Projects. The aforesaid Land Reserves include 64.23 acres which are in the process of being aggregated.

The table below provides our Land Reserves and estimated Developable Area and Saleable Area by cities as of October 31, 2009:

City	Estimated Developable Area (in million sq. ft.)	Estimated Saleable Area (in million sq. ft.)	Acreage*
Mumbai	3.69	2.26	38.85
Pune	12.32	1.33	26.23
Bengaluru	2.51	1.86	21.46
Kolkata	6.93	2.82	16.72
Hyderabad	9.60	9.60	34.00
Mangalore	0.83	0.61	4.53
Ahmedabad	40.43	27.38	223.51
Chandigarh	0.68	0.31	1.84
Kochi	2.52	1.76	15.16
Chennai	3.23	2.26	8.75
TOTAL	82.74	50.21	391.04

* Area refers to the share of the Company only.

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

Group Company	City	Acreage
Godrej & Boyce Manufacturing Company Limited	Mohali (Chandigarh)	75
Godrej Agrovat Limited	Bengaluru	100
Godrej & Boyce Manufacturing Company Limited	Hyderabad	10
TOTAL		185

We use the “joint development model” for developing properties, which entails entering into a development agreement with the owner(s) of the land parcel(s) sought to be developed. Typically, the land owner is paid an advance amount at the time of executing the development agreement. The development agreement generally states that the land owner(s) is entitled, as compensation, to a share in the developed property or a share of the revenues or profits generated from the sale of the developed property, or a combination of all or two of the above entitlements after adjusting the advance amount paid earlier.

In certain instances, we execute a memorandum of understanding with a party who has negotiated the acquisition of the land parcel(s) with the land owner(s) and is in the process of acquiring such land parcel(s). We pay an advance amount to the party acquiring the land parcel(s) to assist in entering into the required agreements to document the acquisition. The party acquiring the land parcel(s) as described above is generally referred to as an “aggregator”, the land parcel(s), the subject of the acquisition as “aggregated land” and the

entire process until the execution of the development agreement or such other document with the aggregator as “aggregation”.

Our consolidated total income was Rs. 115.12 Crores for the period ended September 30, 2009, Rs. 250.25 Crores for the fiscal year 2009 and Rs. 227.51 Crores for the fiscal year 2008, as compared to Rs. 137.26 Crores for the fiscal year 2007. Our consolidated profit after tax and minority interest was Rs. 47.74 Crores for the period ended September 30, 2009, Rs. 75.63 Crores for the fiscal year 2009 and Rs. 75.02 Crores for the fiscal year 2008, as compared to Rs. 28.82 Crores for the fiscal year 2007.

Basis of Preparation

In accordance with Accounting Standard 21 – Consolidated Financial Statements (“AS – 21”), our restated consolidated financial statements for the fiscal year 2009 consolidate the financial results of subsidiaries that are more than 50% owned or controlled by our Company, which include Happy Highrises Limited, Godrej Waterside Properties Private Limited, Godrej Realty Private Limited, Godrej Sea View Properties Private Limited, Godrej Real Estate Private Limited, Godrej Developers Private Limited and Godrej Estate Developers Private Limited. Our restated consolidated financial statements for the fiscal year 2008 consolidate the financial results of subsidiaries that are more than 50% owned or controlled by our Company, which include Happy Highrises Limited, Godrej Waterside Properties Private Limited, Girikandra Holiday Homes and Resorts Limited, Godrej Realty Private Limited, Godrej Sea View Properties Private Limited, Godrej Real Estate Private Limited and Godrej Developers Private Limited. Our restated consolidated financial statements for the fiscal year 2007 consolidate the financial results of subsidiaries that are more than 50% owned or controlled by our Company, which include Godrej Waterside Properties Private Limited, Girikandra Holiday Homes and Resorts Limited, Godrej Realty Private Limited, Godrej Sea View Properties Private Limited, Godrej Real Estate Private Limited and Godrej Developers Private Limited. Our restated consolidated financial statements for the fiscal year 2006 consolidate the financial results of Godrej Waterside Properties Private Limited, Godrej Realty Private Limited and Girikandra Holiday Homes and Resorts Limited. Our financial results are prepared and presented in one business segment, real estate development.

Factors Affecting Our Results of Operations

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

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

The economic condition of India, particularly in and around Mumbai, Pune, Ahmedabad, Bengaluru and Kolkata, has a direct impact on our income, as a substantial part of our operations are located in these cities. We believe that the success of our developments is dependent on the general economic conditions in India. Growth in the GDP and per capita income of Indians generally results in increased demand for real estate developments and as such, an increase in our income. The real estate development industry has shown an increase in demand in the past few years in all types of developments, including housing, IT parks, hotels, serviced residences, resorts and shopping malls, and rising disposable incomes in the middle and higher income groups have historically resulted in an increase in demand for improved residential housing, as well as higher quality retail space.

However, economic developments outside India adversely affected the property market in India and our overall business in the recent past. Since the second half of 2007, the global credit markets have experienced, and may continue to experience, significant volatility which have originated from the adverse developments in the United States and the European Union credit and sub-prime residential mortgage markets. These and other related events, such as the recent collapse of a number of financial institutions, have had and may continue to have a significant adverse effect on the availability of credit and the confidence of the financial markets, globally as well as in India. In light of such recent events, the real estate industry experienced a significant downturn. It resulted in an industry-wide softening of demand for property due to a lack of consumer confidence, decreased affordability, decreased availability of mortgage financing, and large supplies of resale and new inventories. Our inventory increased significantly from Rs. 475.86 Crores as on March 31, 2009 to Rs.

649.59 Crores as on September 30, 2009, and we witnessed a marked drop in demand for our products. Though the global credit market and the Indian real estate market are showing signs of recovery, economic turmoil may continue to exacerbate industry conditions or have other unforeseen consequences, leading to uncertainty about future conditions in the real estate industry.

Supply of Land and its Cost of Acquisition

Our operations are dependent on the availability of land at appropriate locations for our developments, as well as the cost of acquisition of land and, in case of joint developments, the terms of sharing of revenues and/or Developable Areas. Our growth is directly linked to the availability of land in areas where we can develop properties that are marketable. Any government regulations, policies or other developments that restrict the acquisition of land or increase competition for land may therefore affect our operations. Land used in a specific project is assigned to such project and included in the cost of construction and development of such project. Such costs of land, together with costs of construction and development, are expensed for projects as and when they are sold.

The cost of acquisition of freehold or leasehold land and the effective cost of development rights in the case of joint developments are significant factors for real estate developers, including us. Our practice has been to either enter into development agreements, in lieu of acquiring freehold or leasehold interests in land, or acquire the land we intend to develop. The practice of entering into development agreements eliminates the upfront costs of acquiring such land and, as such, also reduces our financing costs, though it requires us to share revenues generated or Developable Area developed from such developments with the land owners. In such developments, we obtain the right to construct and develop the property from the owner of such land in exchange for the land-owner either sharing a pre-determined portion of developed property, revenues or profits generated from such development. For such developments, we generally incur all of the construction and development costs.

Costs of Construction and Development

The costs of construction primarily comprise cost of steel, cement, flooring products, hardware, lifts, mechanical and electrical equipment, doors and windows, bathroom fixtures and other interior fittings, wood and other materials, as well as labour. In most instances, we undertake the procurement of basic construction materials ourselves and look to sub-contractors only for labour. We generally procure construction materials from high quality and reliable suppliers and in wholesale amounts or prices to effectively manage our construction costs, time schedules and quality. Our costs of construction are the most significant portion of our total expenditure. Other items in cost of sale include cost of land development rights or cost of land, construction infrastructure, architect fees, advertisement and selling expenses, other overhead costs and interest. Our cost of sales comprised 48.39%, 38.15%, 55.25% and 60.36% of our total income for the fiscal years 2009, 2008, 2007 and 2006, respectively, and 34.64% of our total income for the period ended September 30, 2009.

Cost of Financing

Cost of financing is material for us, as we require significant capital to develop projects. Our total outstanding indebtedness, on a consolidated basis, was Rs. 656.34 Crores, Rs. 273.12 Crores, Rs. 138.45 Crores and Rs. 13.28 Crores as of March 31, 2009, 2008, 2007 and 2006, respectively, and Rs. 800.69 Crores as of September 30, 2009, and our net interest and financial charges were Rs. 5.33 Crores, Rs. 3.82 Crores, Rs. 4.05 Crores and Rs. 5.30 Crores for the fiscal years 2009, 2008, 2007 and 2006, respectively, and Rs. 1.32 Crores for the period ended September 30, 2009.

Residential properties accounted for Rs. 59.59 Crores, Rs. 151.35 Crores, Rs. 123.13 Crores, and Rs. 47.30 Crores of our total income for the fiscal years 2009, 2008, 2007 and 2006, respectively, and Rs. 84.48 Crores for the period ended September 30, 2009, which was 23.81%, 66.52%, 89.70%, 67.12% and 73.38% of our total income for such periods. One of the major drivers behind the growth of demand for housing units is low interest rates on housing loans. Interest rates have declined in the last decade. As a result, the amount of housing loans disbursed in India has been increasing steadily which is continuing in the recent past.

Critical Accounting Policies

Our financial statements have been prepared in accordance with Indian GAAP, the accounting standards prescribed by the Institute of Chartered Accountants of India and the relevant provisions of the Companies Act 1956. Certain critical accounting policies that are relevant to our business and operations are described below.

Revenue Recognition

We follow the “Percentage of Completion Method” of accounting. As per this method, revenue in Profit and Loss Account at the end of the accounting year is recognised in proportion to the actual cost incurred as against the total estimated cost of projects under execution by us. Determination of revenues under the percentage of completion method necessarily involves making estimates, some of which are of a technical nature, concerning, where relevant, the percentages of completion, costs to completion, the expected revenues from the project or activity and the foreseeable losses to completion. Revenue on bulk deals on sale of our properties is recognized upon execution of definitive agreements relating to the sale.

Income from operation of commercial complexes is recognized over the tenure of the lease or service agreement. Interest income is accounted on an accrual basis at contracted rates. Dividend income is recognised when the right to receive the same is established.

Depreciation

Depreciation is provided on written-down value method and in accordance with the rates specified under Schedule XIV of the Companies Act, except

- assets acquired on lease are depreciated over the period of the lease;
- leasehold improvements are amortised over the period of the lease or five years, whichever is less; and
- intangible assets are amortised over a period of six years.

Inventories

Inventories are valued as follows:

- Completed flats: at lower of cost or market value; and
- Construction work-in-progress: at cost.

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

Development Manager Fees

We have entered into development and project management agreements with certain landlords. Accounting for income from such projects is done on accrual basis on percentage of completion or as per the terms of the agreement.

Results of Operations

The following table sets forth select financial data from our consolidated restated profit and loss statement for the fiscal years 2009, 2008, 2007 and 2006, and for the six month period ended September 30, 2009, the components of which are also expressed as a percentage of total income for such periods:

	Fiscal Year								Period ended	
	2009		2008		2007		2006		September 30, 2009	
	(Rs. in Crores)	% of Total Income	(Rs. in Crores)	% of Total Income	(Rs. in Crores)	% of Total Income	(Rs. in Crores)	% of Total Income	(Rs. in Crores)	% of Total Income
Income:										
Sales	185.18	74.00	196.49	86.37	117.25	85.42	56.77	80.57	41.00	35.62
Operating Income	20.08	8.02	30.95	13.60	19.98	14.56	12.99	18.44	15.67	13.61
Other Income	44.99	17.98	0.07	0.03	0.03	0.02	0.70	0.99	58.45	50.77
Total Income	250.25	100.00	227.51	100.00	137.26	100.00	70.46	100.00	115.12	100.00
Cost of Sales	121.11	48.40	86.78	38.14	75.84	55.25	42.52	60.35	39.88	34.64
Staff Costs	3.75	1.50	9.80	4.31	6.95	5.06	2.29	3.25	1.40	1.22
Administrative Expenses	9.98	3.99	10.93	4.80	4.08	2.97	1.98	2.81	5.20	4.52
Interest and Finance Charges (Net)	5.33	2.13	3.82	1.68	4.05	2.95	5.30	7.52	1.32	1.15
Depreciation	1.15	0.46	0.92	0.40	0.70	0.51	0.51	0.72	1.05	0.91
Profit before Tax, Minority Interest and Extraordinary Items	108.93	43.53	115.26	50.66	45.64	33.25	17.86	25.35	66.27	57.57
Profit after Tax and Minority Interest	75.63	30.22	75.02	32.97	28.82	21.00	12.13	17.22	47.74	41.47

Income. We are in the business of development of residential and commercial properties. Our sales and operating income comprises income from the development and sale of residential, commercial and township properties. Our other income includes income generated from profit on disposal of fixed assets, investment and other miscellaneous income.

Our total income was Rs. 250.25 Crores for the fiscal year 2009, as compared to Rs. 227.51 Crores for the fiscal year 2008, and Rs. 137.26 Crores for the fiscal year 2007, as compared to Rs. 70.46 Crores for the fiscal year 2006, representing fiscal year over fiscal year increases of 10.00%, 65.75% and 94.81%, respectively. The increase in our total income for the fiscal years 2008 and 2009 was comparatively lower than the increases in fiscal year 2007 due to the downturn experienced by the real estate industry during fiscal year 2008 and 2009.

The table below provides our income and percentage of total income from real estate development and leasing for the periods indicated:

Activity	Fiscal Years								Period ended	
	2009		2008		2007		2006		September 30, 2009	
	(Rs. in Crores)	% of Total Income	(Rs. in Crores)	% of Total Income	(Rs. in Crores)	% of Total Income	(In Rs. Crores)	% of Total Income	(Rs. in Crores)	% of Total Income
Real Estate Development Business	250.25	100.00	227.51	100.00	136.74	99.62	65.15	92.46	115.12	100.00
Leasing Business	*	Negligible	*	Negligible	0.52	0.38	5.31	7.54	*	Negligible
Total	250.25	100.00	227.51	100.00	137.26	100.00	70.46	100.00	115.12	100.00

* Represents amount less than Rs. 50,000.00

We account for income from sale of constructed projects using the percentage of completion method. As per this method, revenue in the Profit and Loss Account is recognised in proportion to the actual cost incurred as against the total estimated cost of projects under execution by us. Determination of revenues under the percentage of completion method necessarily involves making estimates, some of which are of a technical nature, concerning, where relevant, the percentages of completion, costs to completion, the expected revenues from the project or activity and the foreseeable losses to completion. If the actual project cost incurred is less than 20% of the total estimated project cost, no income is recognized in respect of that project in the relevant period. Estimates of project income, as well as project costs, are reviewed periodically. The effect of changes, if

any, to estimates is recognised in the financial statements for the period in which such changes are determined. Profits so recognised in respect of individual projects are adjusted to ensure that they do not exceed the estimated overall profit margin. Losses, if any, are fully provided for immediately.

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

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

Expenditure. Our total expenditure consists of cost of sales, staff cost, administrative expenses, net interests and finance charges and depreciation. Our total expenditure as a percentage of our total income was 56.47%, 49.34%, 66.75% and 74.65% for the fiscal years 2009, 2008, 2007 and 2006, respectively, and 42.43% for the period ended September 30, 2009. Expenses allocable to a specific development are provided under cost of sales of such development. All incurred expenses which are not specific to a particular project are accounted for separately as staff cost, administrative expenses, interest and financial charges, depreciation or as general overhead costs.

Cost of Sales. Our cost of sales consists of costs of our building and finishing materials, such as steel, cement, flooring products, hardware, lifts, mechanical and electrical equipment, doors and windows, bathroom fixtures and other interior fittings and wood, costs of development rights over land or acquisition of land, construction expenses including sub-contractor costs and expenses, electrical work and power costs, architects' and consultants' fees, rates and taxes allocable to projects and other miscellaneous construction expenses. These expenses are our most significant expenses and accounted for 48.39%, 38.15%, 55.25% and 60.36% of our total income for the fiscal years 2009, 2008, 2007 and 2006, respectively, and 34.64% for the period ended September 30, 2009. Costs of steel and cement have increased during the past three fiscal years. However, historically we have been able to price our properties to maintain our margins. We expect our cost of sales to continue to be a major portion of our expenditure.

Staff Cost. Staff cost consists of salaries and wages paid to our officers and employees, training and recruitment expenses, contributions to provident and other funds for the benefit of our officers and employees and other welfare expenses. Staff cost does not include the costs of labour, architects or consultants, which are allocable to specific developments and are provided for under cost of sales. Staff cost accounted for 1.50%, 4.31%, 5.06% and 3.25% of our total income for the fiscal years 2009, 2008, 2007 and 2006, respectively, and 1.22% for the period ended September 30, 2009.

Administrative Expenses. Our administrative and selling expenses consist of consultancy charges, rent, power and fuel, insurance and repairs and maintenance costs, cost of project management, service charges, rates and taxes and other miscellaneous expenses. Administrative expenses accounted for 3.99%, 4.80%, 2.97% and 2.81% of our total income for the fiscal years 2009, 2008, 2007 and 2006, respectively, and 4.52% for the period ended September 30, 2009.

Interest and Financial Charges. Interest and financial charges consist of interest paid on term loans and other loans obtained from banks, financial institutions and other lenders, as well as the related processing charges. Net interest and financial charges include the effect of interest received from customers, project and landlords and others. Net interest and financial charges accounted for 2.13%, 1.68%, 2.95% and 7.52% of our total income for the fiscal years 2009, 2008, 2007 and 2006, respectively, and 1.15% for the period ended September 30 2009. See "Financial Condition, Liquidity and Capital Resources – Indebtedness" beginning on page 302 of this Prospectus for a summary of our "Financial Indebtedness".

Depreciation. Depreciation is provided on written-down value (“WDV”) method and in accordance with the rates specified under Schedule XIV of the Companies Act, except

- assets acquired on lease are depreciated over the period of the lease;
- leasehold improvements are amortized over the period of the lease or five years, whichever is less; and
- intangible assets are amortized over a period of six years.

The following table provides the depreciation rates for our tangible assets as of September 30, 2009:

Assets	Annual Depreciation Rate
Motor Vehicle	25.89% on WDV
Furniture and Fixtures	18.10% on WDV
Office Equipments	13.91% on WDV
Computer	40.00% on WDV

Taxation. We provide for both current taxes, comprising of income tax, wealth tax and fringe benefit tax, and deferred taxes. Tax on income for the current period is determined on the basis of estimated taxable income and tax credit, if any, and computed in accordance with the provisions of applicable law. Deferred tax arises mainly due to the timing differences between accounting income and the estimated taxable income for the period and is quantified using the tax rates and laws enacted or substantially enacted as on the relevant balance sheet date. Our deferred tax liability is recognized net of deferred tax assets, if any. From the fiscal year 2010, our provision for current taxes will not include fringe benefit tax.

Tax rates applicable to us for the fiscal year 2009 are as follows:

Rate of Tax	30.00%
Surcharge on Tax at 10%	3.00%
Education Cess on Rate of Tax and Surcharge at 2%	0.66%
Secondary and Higher Education Cess on Rate of Tax and Surcharge at 1%	0.33%
Total Tax Rate	33.99%

For a summary of tax benefits available to us, see “Statement of Tax Benefits” beginning on page 53 of this Prospectus.

Period Ended September 30, 2009

Income. Our total income was Rs. 115.12 Crores for the period ended September 30, 2009.

Sales. Our sales were Rs. 41.00 Crores for the period ended September 30, 2009.

Operating and Other Income. Our operating and other income was Rs. 74.12 Crores for the period ended September 30, 2009, primarily comprised of income of Rs. 58.38 Crores on sale of shares of Happy Highrises Limited, income of Rs. 8.67 Crores from development of projects and income of Rs. 7.00 Crores from compensation received in connection with the cancellation of a memorandum of understanding with Sitaldas Estate Private Limited.

Total Expenditure. Our total expenditure was Rs. 48.85 Crores for the period ended September 30, 2009.

Cost of Sales. Our cost of sales was Rs. 39.88 Crores for the period ended September 30, 2009.

Staff Cost. Our staff cost was Rs. 1.40 Crores for the period ended September 30, 2009.

Administrative Expenses. Our administrative expenses were Rs. 5.20 Crores for the period ended September 30, 2009, primarily consisting of other operating expenses of Rs. 2.55 Crores, repairs and maintenance of Rs. 1.23 Crores, rent charges of Rs. 0.77 Crores and consultancy charges of Rs. 0.44 Crores.

Interest and Financial Charges. Our net interest and financial charges were Rs. 1.32 Crores for the period ended September 30, 2009.

Depreciation. Our depreciation charge was Rs. 1.05 Crores for the period ended September 30, 2009. *Taxation.* Our provision for taxes was Rs. 18.40 Crores for the period ended September 30, 2009. The primary component of this provision was current tax of Rs. 18.42 Crores.

Profit After Tax. Our profit after tax and before minority interest was Rs. 47.87 Crores for the period ended September 30, 2009.

Fiscal Year 2009 Compared to Fiscal Year 2008

Income. Our total income increased by 10.00% to Rs. 250.25 Crores for the fiscal year 2009 from Rs. 227.51 Crores for the fiscal year 2008, primarily due to an increase in other income as a result of the sale of shares of Godrej Developers Private Limited.

Sales. Our sales decreased by 5.76% to Rs. 185.18 Crores for the fiscal year 2009 from Rs. 196.49 Crores for the fiscal year 2008, primarily due to a decreased demand for our products as a result of the downturn experienced by the real estate industry during fiscal year 2009.

Operating and Other Income. Our operating and other income increased by 109.73% to Rs. 65.07 Crores for the fiscal year 2009 from Rs. 31.02 Crores for the fiscal year 2008, primarily due to profit of Rs. 41.99 Crores on the sale of shares of Godrej Developers Private Limited.

Total Expenditure. Our total expenditure increased by 25.89% to Rs. 141.32 Crores for the fiscal year 2009 from Rs. 112.25 Crores for the fiscal year 2008, primarily as a result of an increase in cost of sales.

Cost of Sales. Our cost of sales increased by 39.56% to Rs. 121.11 Crores for the fiscal year 2009 from Rs. 86.78 Crores for the fiscal year 2008, as a result of an increase in sales of our low margin properties.

Staff Cost. Our staff cost decreased by 61.73% to Rs. 3.75 Crores for the fiscal year 2009 from Rs. 9.80 Crores for the fiscal year 2008, primarily due to a decrease in variable payments made to employees.

Administrative Expenses. Our administrative expenses decreased by 8.69% to Rs. 9.98 Crores for the fiscal year 2009 from Rs. 10.93 Crores for the fiscal year 2008, primarily due to a decrease in consultancy charges to Rs. 0.79 Crores for the fiscal year 2009 from Rs. 6.72 Crores for the fiscal year 2008.

Interest and Financial Charges. Our net interest and financial charges increased by 39.53% to Rs. 5.33 Crores for the fiscal year 2009 from Rs. 3.82 Crores for the fiscal year 2008, due to an increase in interest paid of Rs. 50.77 Crores, which was partially offset by total interest received from project landlords and others amounting to Rs. 49.21 Crores.

Depreciation. Our depreciation charge increased by 25.00% to Rs. 1.15 Crores for the fiscal year 2009 from Rs. 0.92 Crores for the fiscal year 2008. The increase was due to the addition of fixed assets, amounting to Rs. 5.37 Crores.

Taxation. Our provision for taxes decreased by 20.03% to Rs. 32.32 Crores for the fiscal year 2009 from Rs. 40.41 Crores for the fiscal year 2008. The primary component of this decrease was a decrease in our current tax liability to Rs. 32.31 Crores in the fiscal year 2009 from Rs. 40.29 Crores in the fiscal year 2008.

Profit After Tax. Our profit after tax and minority interest increased by 0.81% to Rs. 75.63 Crores for the fiscal year 2009 from Rs. 75.02 Crores for the fiscal year 2008.

Fiscal Year 2008 Compared to Fiscal Year 2007

Income. Our total income increased by 65.75% to Rs. 227.51 Crores for the fiscal year 2008 from Rs. 137.26 Crores for the fiscal year 2007, primarily due to an increase in our sales and operating income receipts.

Sales. Our sales increased by 67.58% to Rs. 196.49 Crores for the fiscal year 2008 from Rs. 117.25 Crores for the fiscal year 2007, primarily due to revenue recognised as a result of sales from Godrej Woodsman Estate, Bengaluru – Phase I amounting to Rs. 126.40 Crores, Godrej Woodsman Estate, Bengaluru – Phase II amounting to Rs. 64.43 Crores and Planet Godrej, Mahalaxmi, Mumbai amounting to Rs. 5.52 Crores. We recognised revenue under the percentage of completion method from Godrej Woodsman Estate, Bengaluru – Phase I and Planet Godrej, Mahalaxmi, Mumbai, the average completion of which was 80.00% and 84.30%, respectively, in the fiscal year 2008, as compared to the average completion of which was 44.97% and 71.65%, respectively, in the fiscal year 2007.

Operating and Other Income. Our operating and other income increased by 55.01% to Rs. 31.02 Crores for the fiscal year 2008 from Rs. 20.01 Crores for the fiscal year 2007, primarily due to receipt of project management fees amounting to Rs. 6.00 Crores for Godrej Eternia A, Shivaji Nagar, Wakdewadi, Pune.

Total Expenditure. Our total expenditure increased by 22.51% to Rs. 112.25 Crores for the fiscal year 2008 from Rs. 91.62 Crores for the fiscal year 2007, primarily as a result of an increase in sales revenue resulting in corresponding recognition of cost of sales which rose to Rs. 86.78 Crores in fiscal year 2008 from Rs. 75.84 Crores in fiscal year 2007. Total expenditure also increased due to increased staff cost and administration expenses as a result of the overall growth of our development activities, particularly for our developments, Godrej Woodsman Estate, Bengaluru – Phase I and Planet Godrej, Mahalaxmi, Mumbai.

Cost of Sales. Our cost of sales increased by 14.43% to Rs. 86.78 Crores for the fiscal year 2008 from Rs. 75.84 Crores for the fiscal year 2007, as a result of an increase in sales revenue resulting in corresponding recognition of cost of sales.

Staff Cost. Our staff cost increased by 41.01% to Rs. 9.80 Crores for the fiscal year 2008 from Rs. 6.95 Crores for the fiscal year 2007, primarily due to an increase in the number of employees from 106 as of March 31, 2007, to 132 as of March 31, 2008, and an increase in the salaries, wages and bonuses paid to our officers and employees.

Administrative Expenses. Our administrative expenses increased by 167.89% to Rs. 10.93 Crores for the fiscal year 2008 from Rs. 4.08 Crores for the fiscal year 2007, primarily due to an increase in consultancy charges to Rs. 6.72 Crores, rent charges to Rs. 1.14 Crores, power and fuel expenses to Rs. 0.12 Crores and other operating expenses to Rs. 2.61 Crores.

Interest and Financial Charges. Our net interest and financial charges decreased by 5.68% to Rs. 3.82 Crores for the fiscal year 2008 from Rs. 4.05 Crores for the fiscal year 2007, due to an increase in the interest received from project landlords and others amounting to Rs. 23.65 Crores, which partially offset total interest paid of Rs. 26.75 Crores.

Depreciation. Our depreciation charge increased by 31.43% to Rs. 0.92 Crores for the fiscal year 2008 from Rs. 0.70 Crores for the fiscal year 2007. The increase was due to the addition of fixed assets, including fixtures and furniture and computer equipment amounting to Rs. 1.43 Crores.

Taxation. Our provision for taxes increased by 138.86% to Rs. 40.41 Crores for the fiscal year 2008 from Rs. 16.92 Crores for the fiscal year 2007. The primary component of this increase was an increase in our current tax liability to Rs. 40.29 Crores in the fiscal year 2008 from Rs. 16.92 Crores in the fiscal year 2007, corresponding with the increase in our profit before tax.

Profit After Tax. Our profit after tax and minority interest increased by 160.31% to Rs. 75.02 Crores for the fiscal year 2008 from Rs. 28.82 Crores for the fiscal year 2007.

Fiscal Year 2007 Compared to Fiscal Year 2006

Income. Our total income increased by 94.81% to Rs. 137.26 Crores for the fiscal year 2007 from Rs. 70.46 Crores for the fiscal year 2006, primarily due to an increase in our sales and operating income receipts.

Sales. Our sales increased by 106.54% to Rs. 117.25 Crores for the fiscal year 2007 from Rs. 56.77 Crores for the fiscal year 2006, primarily due to revenue recognised as a result of an increase in sales and development of Godrej Woodsman Estate, Bengaluru – Phase I and Planet Godrej, Mahalaxmi, Mumbai, which amounted to Rs. 67.99 Crores and Rs. 2.98 Crores, respectively. We recognised revenue under percentage of completion method from Godrej Woodsman Estate, Bengaluru – Phase I and Planet Godrej, Mahalaxmi, Mumbai, the average completion of which was 44.97% and 71.65%, respectively, in the fiscal year 2007, as compared to the average completion of which was 21.44% and 60.38%, respectively, in the fiscal year 2006.

Operating and Other Income. Our operating and other income increased by 46.23% to Rs. 20.01 Crores for the fiscal year 2007 from Rs. 13.69 Crores for the fiscal year 2006, primarily due to a break fee of Rs. 12.00 Crores received in the fiscal year 2007 as a result of the cancellation of a MOU by CESC Limited.

Total Expenditure. Our total expenditure increased by 74.19% to Rs. 91.62 Crores for the fiscal year 2007 from Rs. 52.60 Crores for the fiscal year 2006, primarily as a result of an increase in sales revenue resulting in corresponding recognition of cost of sales which rose to Rs. 75.84 Crores in fiscal year 2007 from Rs. 42.52 Crores in fiscal year 2006. Total expenditure also increased due to increased staff cost and administration expenses as a result of the overall growth of our development activities, particularly for our developments, Godrej Woodsman Estate, Bengaluru – Phase I and Planet Godrej, Mahalaxmi, Mumbai.

Cost of Sales. Our cost of sales increased by 78.36% to Rs. 75.84 Crores for the fiscal year 2007 from Rs. 42.52 Crores for the fiscal year 2006, as a result of an increase in sales revenue resulting in corresponding recognition of cost of sales.

Staff Cost. Our staff cost increased by 203.49% to Rs. 6.95 Crores for the fiscal year 2007 from Rs. 2.29 Crores for the fiscal year 2006, primarily due to an increase in the number of employees from 81 as of March 31, 2006, to 106 as of March 31, 2007, and an increase in the salaries, wages and bonuses paid to our officers and employees.

Administrative Expenses. Our administrative expenses increased by 106.06% to Rs. 4.08 Crores for the fiscal year 2007 from Rs. 1.98 Crores for the fiscal year 2006, primarily due to an increase in consultancy charges to Rs. 1.67 Crores, rent charges to Rs. 0.94 Crores, power and fuel expenses to Rs. 0.11 Crores and other operating expenses to Rs. 1.17 Crores.

Interest and Financial Charges. Our net interest and financial charges decreased by 23.58% to Rs. 4.05 Crores for the fiscal year 2007 from Rs. 5.30 Crores for the fiscal year 2006, due to an increase in the interest received from project landlords and others amounting to Rs. 8.45 Crores, which partially offset total interest paid of Rs. 11.85 Crores.

Depreciation. Our depreciation charge increased by 37.25% to Rs. 0.70 Crores for the fiscal year 2007 from Rs. 0.51 Crores for the fiscal year 2006. The increase was due to the addition of fixed assets, including fixtures and furniture and computer equipment amounting to Rs. 1.25 Crores.

Taxation. Our provision for taxes increased by 195.46% to Rs. 16.92 Crores for the fiscal year 2007 from Rs. 5.73 Crores for the fiscal year 2006. The primary component of this increase was an increase in our current tax liability to Rs. 16.92 Crores in the fiscal year 2007 from Rs. 5.74 Crores in the fiscal year 2006, corresponding with the increase in our profit before tax.

Profit After Tax. Our profit after tax and minority interest increased by 137.59% to Rs. 28.82 Crores for the fiscal year 2007 from Rs. 12.13 Crores for the fiscal year 2006.

Financial Condition, Liquidity and Capital Resources

We broadly define liquidity as our ability to generate sufficient funds from both internal and external sources to meet our obligations and commitments. In addition, liquidity includes the ability to obtain appropriate equity and debt financing and loans and to convert into cash those assets that are no longer required to meet existing strategic and financial objectives. Therefore, liquidity cannot be considered separately from capital resources that consist of current or potentially available funds for use in achieving long-range business objectives and meeting debt service and other commitments.

We have historically financed our capital requirements primarily through funds generated from our operations and financing from banks and other financial institutions in the form of term loans. Our primary capital requirements have been to finance purchases of land and developments of our properties, as well as working capital requirements. We believe that we will have sufficient capital resources from our operations, net proceeds of this offering of Equity Shares and other financings from banks, financial institutions and other lenders to meet our capital requirements for at least the next 12 months.

Cash Flows

The table below summarises our cash flows for the fiscal years 2009, 2008, 2007 and 2006:

(Rs. in Crores)	Fiscal Year			
	2009	2008	2007	2006
Net cash generated from / (used in) operating activities	(329.71)	(255.33)	(84.40)	50.85
Net cash generated from / (used in) investing activities	46.74	(11.35)	6.75	1.64
Net cash generated from / (used in) financing activities	301.21	259.20	75.25	(38.16)
Cash and cash equivalents as of March 31,	26.87	8.63	16.11	18.51

Cash and cash equivalents increased to Rs. 26.87 Crores as of March 31, 2009 from Rs. 8.63 Crores as of March 31, 2008. Cash in the form of bank deposits, current account balances and cash on hand represents our cash and cash equivalents.

Operating Activities. Net cash used in operating activities was Rs. 329.71 Crores for the fiscal year 2009 and consisted of net profit before taxation and minority interest of Rs. 108.93 Crores, as adjusted for a number of non-cash items, primarily interest paid (net of interest income) of Rs. 2.45 Crores and depreciation of Rs. 1.15 Crores, and changes in working capital, such as increases in inventories, trade and other receivables and loans and advances of Rs. 191.07 Crores, Rs. 107.80 Crores and Rs. 108.79 Crores, respectively, which were partially offset by an increase in current liabilities and provisions of Rs. 8.35 Crores and income tax payment of Rs. 42.93 Crores.

Net cash used in operating activities was Rs. 255.33 Crores for the fiscal year 2008, and consisted of net profit before taxation and minority interest of Rs. 115.26 Crores, as adjusted for a number of non-cash

items, primarily depreciation of Rs. 0.92 Crores and other items, primarily interest charges (net of interest income) of Rs. 3.82 Crores, and changes in working capital, such as increases in trade and other receivables, inventories and loans and advances of Rs. 185.92 Crores, Rs. 167.59 Crores and Rs. 193.75 Crores, respectively, as a result of increased sales and advances to development partners, which were partially offset by an increase in current liabilities and provisions of Rs. 213.05 Crores and income tax payment of Rs. 41.15 Crores.

Net cash used in operating activities was Rs. 84.40 Crores for the fiscal year 2007, and consisted of net profit before taxation and minority interest of Rs. 45.64 Crores, as adjusted for a number of non-cash items, primarily depreciation of Rs. 0.70 Crores and other items, primarily interest charges (net of interest income) of Rs. 4.05 Crores, and changes in working capital, such as increases in trade and other receivables, inventories and loans and advances of Rs. 136.98 Crores, Rs. 94.04 Crores and Rs. 18.25 Crores, respectively, as a result of increased sales and advances to development partners, which were partially offset by an increase in current liabilities and provisions of Rs. 121.01 Crores and income tax payment of Rs. 6.53 Crores.

Net cash from operating activities was Rs. 50.85 Crores for the fiscal year 2006, and consisted of net profit before taxation and minority interest of Rs. 17.86 Crores, as adjusted for a number of non-cash items, primarily depreciation of Rs. 0.51 Crores, and other items, primarily interest charges (net of interest income) of Rs. 5.30 Crores, and changes in working capital, such as increase in trade and other receivables and inventories of Rs. 41.85 Crores and Rs. 3.88 Crores, respectively, as a result of increased sales and advances to development partners, which were partially offset by an increase in current liabilities and provisions of Rs. 76.36 Crores and income tax payment of Rs. 3.74 Crores.

Investing Activities. Net cash from investing activities was Rs. 46.74 Crores for the fiscal year 2009, primarily as a result of interest received from projects of Rs. 49.84 Crores and proceeds from disposal of fixed assets of Rs. 2.26 Crores and partially offset by the purchase of fixed assets of Rs. 5.36 Crores.

Net cash used in investing activities was Rs. 11.35 Crores for the fiscal year 2008, primarily for the purchase of fixed assets of Rs. 33.78 Crores and partially offset by the interest received from projects of Rs. 22.41 Crores.

Net cash from investing activities was Rs. 6.75 Crores for the fiscal year 2007, primarily from interest received from projects of Rs. 7.97 Crores and partially offset by the purchase of fixed assets of Rs. 1.25 Crores.

Net cash from investing activities was Rs. 1.64 Crores for the fiscal year 2006, primarily from interest received from projects of Rs. 2.44 Crores and partially offset by the purchase of fixed assets of Rs. 1.58 Crores.

Financing Activities. Net cash generated from financing activities was Rs. 301.21 Crores for the fiscal year 2009, primarily as a result of incurrence of term loans of Rs. 247.73 Crores, secured working capital loans of Rs. 98.12 Crores, unsecured term loans of Rs. 25.00 Crores and unsecured working capital loans of Rs. 12.28 Crores, partially offset by interest payments of Rs. 53.24 Crores and dividends paid of Rs. 28.79 Crores.

Net cash generated from financing activities was Rs. 259.20 Crores for the fiscal year 2008, primarily as a result of the issuance of shares amounting on an aggregate basis to Rs. 150.00 Crores, incurrence of unsecured indebtedness of Rs. 29.00 Crores, secured working capital loans of Rs. 81.19 Crores and unsecured working capital loans of Rs. 11.06 Crores, partially offset by interest payments of Rs. 25.97 Crores.

Net cash generated from financing activities was Rs. 75.26 Crores for the fiscal year 2007, primarily as a result of incurrence of unsecured indebtedness of Rs. 101.50 Crores, secured working capital loans of Rs. 15.86 Crores and unsecured working capital loans of Rs. 5.02 Crores, partially offset by dividend payments of Rs. 37.86 Crores and interest payments of Rs. 12.05 Crores.

Net cash used in financing activities was Rs. 38.16 Crores for the fiscal year 2006, primarily as a result of interest payments of Rs. 7.75 Crores and repayments of unsecured term loans of Rs. 17.00 Crores and secured working capital loans of Rs. 16.26 Crores.

Investments

We hold Equity Shares of quoted and unquoted companies. Our total investments were Rs. 0.30 lakhs, Rs. 0.30 lakhs, Rs. 0.10 lakh, Rs. 0.10 lakh and Rs. 0.20 lakhs as at March 31, 2009, March 31, 2008, March 31, 2007, March 31, 2006 and March 31, 2005, respectively.

Indebtedness

As of September 30, 2009, we had Rs. 802.82 Crores of aggregate principal amount of indebtedness outstanding. The following table provides certain characteristics of our outstanding indebtedness as at September 30, 2009.

Lender	Loan Type	Amount Outstanding (as of September 30, 2009) (Rs. in Crores)	Total Amount of Credit Facility (Rs. in Crores)	Interest rate as of September 30, 2009 (%)*	Repayment Schedule
HDFC Venture Trustee Company Limited	1% Secured Redeemable Optionally Convertible Debentures	21.56	-	1%	At the end of seven years from the deemed date of allotment or within seven days from the date of notice of redemption, whichever is earlier.
State Bank of India	Working Capital Loan	184.84 (including the utilization of non-fund based facility to the extent of Rs. 2.13 Crores) 50.00 (working capital demand loan)	400.00 (Including Inter changeability of Non Fund based limit of 50.00 Crores)	At SBAR (i.e. 11.75%) 8.50% fixed	March 23, 2010 December 9, 2009
State Bank of India	Term Loan	187.73	200.00	At SBAR – 1.00% Subject to Minimum of 11.25%	Rs. 50 Crores – first quarter of fiscal 2011 Rs. 50 Crores - second quarter of fiscal 2011 Rs. 50 Crores - third quarter of fiscal 2011 Balance - fourth quarter of fiscal 2011
Central Bank of India	Short Term Loan (Unsecured)	50.00	50.00	At BPLR 12.00%	November 13, 2009
IDBI Bank Limited	Working Capital Loan	33.19 50.00	60.00 (including non interchangeable non fund based limit of Rs. 10.00 Crores) 50.00	At BPLR – 0.50% i.e. 12.25% 8.75% fixed	March 24, 2010 November 12, 2009
Central Bank of India	Short Term Loan	50.00	200.00	BPLR – 1.00%	Rs. 50 Crores - March

	(Secured)	10.00 40.00 50.00 50.00		i.e. 11.00%	19, 2010 Rs. 10 Crores - March 31, 2010 Rs. 40 Crores - April 8, 2010 Rs. 50 Crores - June 10, 2010 Rs. 50 Crores - July 16, 2010
Godrej Industries Limited	Inter Corporate Deposit	5.50	5.00 0.50	10.00%	Rs. 5 Crores on January 1, 2010 Rs. 0.50 Crores on February 15, 2010
Punjab & Sind Bank	Short Term Loan (Unsecured)	20.00	50.00	9.65% fixed	Rs. 20 Crores on September 17, 2010

**The interest rates provided are the Prevailing interest rates as on September 30, 2009.*

See “Financial Indebtedness” beginning on page 308 of this Prospectus for a more detailed summary of our outstanding indebtedness on a standalone basis.

Contingent Liabilities

The following table provides our contingent liabilities as of September 30, 2009:

Particulars	(Rs. in Crores)
Uncalled amount of Rs. 80 and Rs. 30 on 70 and 75 Partly Paid shares respectively of Tahir Properties Limited	*
Claims against the Company not acknowledged as debts represent cases filed by parties in the consumer forum, Tribunal and High Court and disputed by the Company as advised by our advocates. In the opinion of the management, the claims are not sustainable.	0.47
Claims against the Company under the Labour Laws for disputed cases	0.20
Guarantees given by Bank, counter-guaranteed by the Company	2.01
Letter of credit issued on behalf of the Company	0.12
Claim against the Company under Bombay Stamp Act, 1958	1.49
Claims against the Company under Electricity Act 2003	0.60
Claims against the Company under Income Tax Act, Appeal referred to Commissioner of Income Tax (Appeals)	10.18

**represent amount less than Rs. 50,000*

Related Party Transactions

We have engaged in the past, and may engage in the future, in transactions with related parties, including with our affiliates and certain key management members on an arm’s lengths basis. Such transactions could be for provision of services, purchase and sale of goods, lease of assets or property, sale or purchase of Equity Shares or entail incurrence of indebtedness. For details of our related party transactions, see “Related Party Transactions” beginning on page 181 of this Prospectus.

Seasonality

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

Off Balance Sheet Commitments and Arrangements

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

Quantitative and Qualitative Disclosures about Market Risk

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

Interest Rate Risk

We currently have floating rate indebtedness for our working capital requirements and also maintain deposits of cash and cash equivalents with banks and other financial institutions and thus are exposed to market risk as a result of changes in interest rates. As of September 30, 2009, Rs. 655.76 Crores of our indebtedness consisted of floating rate indebtedness. Upward fluctuations in interest rates increase the cost of both existing and new debts and affect our results of operations. It is likely that in the current fiscal year and in future periods our borrowings will rise substantially given our planned expenditures. We do not currently use any derivative instruments to modify the nature of our exposure to floating rate indebtedness or our deposits so as to manage interest rate risk.

Commodity Risk

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

Credit Risk

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

Known Trends or Uncertainties

Other than as described in this section and the section titled “Risk Factors” beginning on page xv of this Prospectus, to our knowledge there are no known trends or uncertainties that have or had or are expected to have a material adverse impact on our income from continuing operations.

Future Relationship between Costs and Income

Other than as described in this section and the section titled “Risk Factors” beginning on page xv of this Prospectus, to our knowledge there are no future relationship between costs and income that have or had or are expected to have a material adverse impact on our operations and finances.

Inflation

In recent years, although India has experienced minor fluctuation in inflation, inflation has not had material impact on our business and results of operations.

New Products or Business Segment

Other than as described in this Prospectus, we do not have any new products or business segments.

Competitive Conditions

We expect competition in the real estate development sector from existing and potential competitors to intensify. For further details please refer to the discussions of our competitive conditions in the sections entitled “Risk Factors” and “Our Business” beginning on pages xv and 77, respectively, of this Prospectus.

Significant Developments after September 30, 2009 that may affect our Future Results of Operations

In compliance with AS 4, to our knowledge no circumstances other than as disclosed in this Prospectus have arisen since the date of the last restated consolidated financial statements contained in the Prospectus which materially and adversely affect or are likely to affect, the trading and profitability of the Company, or the value of our assets or our ability to pay material liabilities within the next 12 months.

FINANCIAL INDEBTEDNESS

As on December 10, 2009 the details of our indebtedness is as follows:

(Rs. in Crores)

S. No.	Nature of Borrowing	Amount Sanctioned	Amount Availed
1.	Secured Borrowings	526.00*	427.97*
2.	Unsecured Borrowings	225.50**#	225.43

* Inclusive of Interchangeable Non – Fund based Limit of Rs. 50 Crores and Non Interchangeable Limit of Rs. 1 Crores for Forward Contract

** Inclusive of Non-Fund Based Limit of Rs. 10 Crores

Excludes amount of Rs. 104.37 Crores which can be raised by the Company from Fixed Deposit Scheme

Set forth below is a brief summary of our aggregate borrowings as on December 10, 2009:

Details of Secured Borrowings

1. Secured Loans

Type of Facility	Total Sanctioned Amount (Rs. in Crores)	Amount Outstanding (Rs. in Crores)	Date of Availment	Rate of Interest and Repayment Schedule	Security
State Bank of India - Cash Credit Component (CCC)/ Working Capital Demand Loan (WCDL)	275.00	CCC: 124.80 WCDL: 100.00	May 13, 2009 November 17, 2009	Interest for CCC : At SBAR i.e., 11.75% per annum as of December 10, 2009 Interest for WCDL: 6.75% per annum(Fixed) Repayment for CCC: March 23, 2010 Repayment for WCDL: May 15, 2010 No prepayment is permitted	Secured by charge on the immovable property viz., land and building, at Juhu, Mumbai. Security by first charge on current assets of the company and Godrej Real Estate Private Limited.
State Bank of India – Inland / Import Letter of Credit	25.00	USD 25,520.00 (Rs. 0.12 Crores, considering	September 23, 2009	Interest: N.A Date of Expiry: December 20, 2009	Extension of charge on immovable property at Juhu, Mumbai

Type of Facility	Total Sanctioned Amount (Rs. in Crores)	Amount Outstanding (Rs. in Crores)	Date of Availment	Rate of Interest and Repayment Schedule	Security
		1USD (\$) = Rs. 46.640 approx. as on December 10, 2009)			available for fund based working capital facilities. Security by first charge on current assets of the company and Godrej Real Estate Private Limited.
State Bank of India - Bank Guarantees***	25.00 (for working capital purpose)	0.50	December 5, 2007	Interest: N.A	Extension of charge on immovable property at Juhu, Mumbai available for fund based working capital facilities. Security by first charge on current assets of the company and Godrej Real Estate Private Limited.
		0.10	May 5, 2006	Date of Expiry: December 4, 2011	
		2.45	December 5, 2009	December 31, 2011 December 4, 2010	
State Bank of India - Forward Contract	1.00	Nil	N.A	Interest: N.A Date of Expiry: N.A.	Extension of charge on immovable property at Juhu, Mumbai available for fund based working capital facilities. Security by first charge on current assets of the company and Godrej Real Estate Private Limited.

Type of Facility	Total Sanctioned Amount (Rs. in Crores)	Amount Outstanding (Rs. in Crores)	Date of Availment	Rate of Interest and Repayment Schedule	Security
Central Bank of India # Short term loan	200.00	50.00	March 19, 2009	Interest : BPLR – 1.00% i.e., 11.00% per annum as of December 10, 2009	Secured by way of equitable mortgage of its interest, in the immovable property of the project undertaken by the Company at Chandigarh
		10.00	March 31, 2009		
		40.00	April 8, 2009	Repayment for Loan: March 19, 2010	
		50.00	June 10, 2009	March 31, 2010	
		50.00	July 16, 2009	April 8, 2010 June 10, 2010 July 16, 2010 Prepayment without charges, if paid out of existing projects, otherwise 1% Prepayment Penalty.	

***Three different bank guarantees availed

Drawdown taken in 5 instalments with 5 repayments date, being 1 year from each drawdown.

2. Unsecured Borrowings

The unsecured loans of the Company outstanding as on December 10, 2009, are as follows:

Lender	Total Sanctioned Amount (Rs. in Crores)	Amount Outstanding (Rs. in Crores)	Date of Availment	Rate of Interest & Repayment Schedule	Term of Loan (in months)
IDBI Bank	Financial Assistance : 50.00	Financial Assistance : 35.62	June 2, 2009	Interest : At BPLR - 0.50% i.e., 12.25% per annum as of December 10, 2009	12

Lender	Total Sanctioned Amount (Rs. in Crores)	Amount Outstanding (Rs. in Crores)	Date of Availment	Rate of Interest & Repayment Schedule	Term of Loan (in months)
	Short Term Loan: 50.00	Short Term Loan: 50.00	November 17, 2009	Interest for STL: 7% per annum (Fixed).	
				Repayment for STL: February 15, 2010.	
	Non-Fund Based: 10.00	Non-Fund Based: Nil	N.A.	Repayment: March 24, 2010 Overall limit offered is due for repayment before March 25, 2010 unless any individual facility is due/renewed before that date	N.A.
Punjab and Sind Bank	50.00	50.00	Rs. 15 Crores availed on September 17, 2009 Rs. 5 Crores availed on September 29, 2009 Rs. 30 Crores availed on November 3, 2009	Interest : 9.65% per annum Repayment: September 17, 2010	12 months from the date of First Drawdown.
Fixed Deposits ^{##}	-	74.31 [^]	N.A.	Interest : 8.25% - 9.75% per annum as of December 10, 2009	12 – 36
Inter Corporate Deposit – Godrej	5.50	5.50	Rs. 5 Crores availed on July 1, 2009	Interest : 10.00% per annum	6

Lender	Total Sanctioned Amount (Rs. in Crores)	Amount Outstanding (Rs. in Crores)	Date of Availment	Rate of Interest & Repayment Schedule	Term of Loan (in months)
Industries Limited			Rs. 0.50 Crores availed on August 14, 2009	Repayment: January 1, 2010 February 15, 2010	6
Inter Corporate Deposit – Tata Investment Corporation Limited	10.00	10.00	Rs. 10 Crores availed on November 12, 2009	Interest : 8.00% per annum Repayment: February 10, 2010	90 days
Kotak Mahindra Bank Limited	Short Term Loan: 50.00	Nil	N.A.	Interest : N.A. Repayment: N.A.	180 days (Fresh Disbursement shall be allowed after repayment earlier tranche, with a break of atleast 1 day)

##Our Company accepts fixed deposit from the public under a fixed deposit scheme. The fixed deposits are accepted from resident individuals in multiples of Rs. 1000 subject to a minimum of Rs. 10,000. The fixed deposits are accepted by our Company for a period of 12, 24 and 36 months only and the rate of interest payable by the Company on such fixed deposits is 8.25%, 9.00% and 9.75% per annum respectively which is payable on a half yearly basis on September 30 and March 31 of each year and on maturity of deposits. A break up of the amounts under the fixed deposits are as mentioned below:

Lender of the Fixed Deposit	Amount Outstanding (Rs. in Crores)
Directors of the Company	0.35
Others	73.96

Corporate Actions:

Some of the corporate actions for which the Company may require the prior written consent of lenders include the following:

1. to create any subsidiary or permit any company to become its subsidiary;
2. to undertake or permit any merger, consolidation, reorganisation, scheme or arrangement or

- compromise with its creditors or shareholders or effect any scheme of amalgamation or reconstruction;
3. to make any investments by way of deposits, loans, share capital etc in any concern. This will not apply to normal trade guarantees or temporary loans and advances granted to staff or contractors or suppliers in the ordinary course of business; and
 4. to carry any general trading activity that does not relate to the Company's ordinary course of business.

SECTION VI: LEGAL AND OTHER INFORMATION

OUTSTANDING LITIGATION AND MATERIAL DEVELOPMENTS

Except as described below, there are no outstanding litigations, suits or civil proceedings, or criminal proceedings, or prosecutions, or tax liabilities by or against us, our Subsidiaries, against our Directors, or our Promoters or our Group Companies, and there are no defaults, non-payment of statutory dues, overdues to banks/ financial institutions, defaults against banks/ financial institutions, defaults in dues payable to holders of any debentures, bonds or fixed deposits, and arrears on preference shares issued by the Company, defaults in creation of full security as per terms of issue/ other liabilities, proceedings initiated for economic/ civil/ and other offences (including past cases where penalties may or may not have been awarded and irrespective of whether they are specified under paragraph (i) of part 1 of Schedule XIII of the Companies Act) that would result in material adverse effect on our consolidated business taken as a whole. None of the aforesaid persons / companies is on RBI's list of wilful defaulters. Unless stated to the contrary, the information provided below relating to the Company is as of the date of this Prospectus.

Litigation against the Company

Civil Proceedings

1. Mr. Undrya Sukrya Murkute was the tenant of land bearing survey no. 6, Hissa 14 and 16 situated at Village Barave, Taluka Kalyan, District Thane, belonging to one Mr. Gulamali Moulvi. Mr. Murkute died leaving behind two widows and two daughters. On an application made under the Bombay Tenancy and Agricultural Lands Act, the Additional Mamlatdar and Agricultural Lands Tribunal, Kalyan declared the family members of Mr. Murkute's the statutory purchasers and accordingly a mutation was made in their names. By an Agreement of Sale dated May 10, 1985 the widows agreed to sell the land to one Mr. Dalvi. Thereafter, negotiations for sale of the land commenced between Mr. Dalvi and our Company, the land being acquired for the purposes of development. Our Company issued a public notice inviting objections in respect of the proposed sale. Mr. Moulvi, heir of the said Mr. Gulamali Moulvi, put up a claim to the property. The said property was allegedly acquired by Mr. Ramesh Mehta through an Agreement for Sale dated July 7, 1995 with Mr. Moulvi, for the purpose of development. Mr. Moulvi filed a Special Civil Suit (Special Civil Suit No. 303/1997) against our Company and others before the Senior-Division Civil Court, Kalyan, for declaration of ownership to title, injunction and partition of the suit property. Also, Mr. Ramesh Mehta filed a case against our Company bearing Regular Suit No. 123/1997 in respect of the above mentioned suit property. Mr. Ramesh Mehta made an application in Civil Suit No. 303/1997 impleading him as a party to the proceedings in civil suit No. 303/1997 filed by the petitioner against our Company and others. By an order and judgment dated July 5, 2006, Civil Judge Kalyan directed the petitioners to implead Mr. Ramesh Mehta as a necessary party to the said suit and amend the plaint. Being aggrieved by the said order and judgment, the petitioner filed a writ petition before the High Court, Bombay challenging the validity and legality of the said order dated July 5, 2006. Respondent (i.e. Mr. Moulvi and Mr. Ramesh Mehta) claim to have a right in the suit property under an Agreement dated July 7, 1995. The contention of the Company is that the development work in the said premises had begun by our Company and the entire consideration had been paid to Mr. Dalvi, who has in turn fully paid the owners of the land. Further, the Company had also created third party rights in respect of the said premises in the buildings to be constructed. The matter relates to conflicting claims over the said land, and is pending.
2. Thames Co-operative Housing Society Limited, Godrej Hill, Kalyan, filed a suit (No. 262/2002) dated December 3, 2002 before the Civil Judge, Kalyan, for declaration and issue of mandatory injunction under the Specific Relief Act, 1963 read with the Maharashtra Ownership Flat Act, 1963. Our Company had developed a property, sold certain flats and formed a society, being the plaintiff society. The contention of the plaintiff society is that under Section 11 of the Maharashtra Ownership Flat Act, 1963, it is mandatory for our Company as a builder/promoter to execute and register Deed of Conveyance vesting right, title and interest in favour of the plaintiff within a period of four months

- from the formation of the society. The plaintiff has prayed for the issue of a mandatory injunction ordering our Company to execute a deed of conveyance in favour of the plaintiff. The Company has filed its reply contending that after all the buildings of the complex were completed and the organization of the purchaser and/or federal society is registered, our Company shall transfer to the said organisation/federal society all the rights, title and interest of the building through execution of appropriate conveyance deeds. The flat purchasers were aware of this and had consented to the same. The matter is pending.
3. Dr. Sam Batlivala filed a consumer complaint (Complaint No. 1143/1997) on March 17, 1997, before the State Consumer Disputes Redressal Forum against the Company, on grounds of delayed possession and deficiency in service in Company's Project Godrej Hill, Kalyan, Flat No. 15, VI Floor. The amount of compensation sought is Rs. 0.01 Crores being the interest amount calculated at 24% per annum. Our Company has submitted in its reply filed on April 27, 1997 that the Agreement for sale/purchase of the said premises provided for a reasonable extension of time after December 31, 1995, the date on which the possession was to be given. Our Company had informed the Complainant that the delay in possession was due to the non-issuance of the occupation certificate by the Kalyan Municipal Corporation. The complaint was dismissed by the District Forum dated March 22, 2000. Dr. Batlivala filed an appeal on September 25, 2000 before the Maharashtra State Consumer Disputes Redressal Commission against the order of the District Forum. The appeal came up for admission on March 5, 2000 and is pending before the Maharashtra State Consumer Disputes Redressal Commission. The Company has filed its reply and the next date for hearing has been fixed on January 10, 2010.
 4. The plaintiff, Petunia Cooperative Housing Society, is a registered Cooperative Housing Society bearing Registration No.RGD/PWL/HSG/TC/1165/99. The society has forty members and each of them are occupying flats in the building known as Petunia, located in the complex of "Godrej Sky Garden" developed by the defendants, our Company. The plaintiff filed the instant suit (Regular Civil Suit No. 17/2002) for declaration and injunction, seeking to declare that the defendant has no right and authority or entitled to carry out any construction in the garden which is lying at the east corner of Godrej Sky Garden complex on Final Plot No. 437, Panvel. Further the plaintiffs have sought a temporary injunction restraining the defendant from carrying out any construction work with regard to the above building during the pendency of the hearing and till the final disposal of the suit. The written statement on behalf of the defendant opposing the suit was filed on March 26, 2002. By an Order dated September 24, 2002 the Panvel Court dismissed the application for temporary injunction under Order 39 Rule 1 and 2 of the Code of Civil Procedure by the Court of Civil Judge, Senior Division at Panvel. The matter is pending and the next date for hearing has been fixed for February 2, 2010.
 5. Padmanabha Subbayya Shetty and Mohini Padmanabha Shetty, being the plaintiffs, have filed a Suit in the High Court of Mumbai (Suit No. 3308/2002) for a claim of Rs. 0.024 Crores against the Company. The plaintiffs had made an application for allotment of flat no. C-42 in the Company's project viz. Godrej Grenville Park, Ghatkopar, Mumbai for a total consideration of Rs. 0.02 Crores by application form dated February 28, 2000 and paid a sum of Rs. 0.02 Crores as earnest money. Thereafter, the plaintiffs requested the Company to change their flat from C-42 to C-62. The request was accepted and booking amount was transferred to the new flat. The plaintiffs were thereafter called upon by the Company to pay the balance amount. The plaintiffs did not pay the balance amount and filed this instant suit for a refund of the amount of Rs. 0.02 Crores along with 24% interest per annum. The Company has filed its written statement on October 3, 2003 and the matter has not been listed for final hearing.
 6. Mr. Nilkanth Bhagat and Mr. Ravindra Bhagat filed a consumer complaint (Complaint No. 111/2000) dated March 31, 2001 against our Company before the State Consumer Disputes Redressal Forum. The Complaint was filed on the ground of deficiency in service within meaning of Section 2(1) (o) of the Consumer Protection Act, 1986 in relation to Project Godrej Plaza, Panvel developed by our Company. The Complainant has claimed an amount of Rs. 0.1 Crores along with interest at 18% per annum as well as compensation for mental distress and agony caused to the Complainant. The District Commission ordered our Company to provide refund and interest at 12% per annum from October 2,

1997 till the payment is realized as well as Rs. 50,000 as cost of proceedings within two months. An appeal against an order by the above District Commission has been filed before the Consumer Disputes Redressal Commission, Maharashtra by our Company which was admitted on November 19, 2001. The matter is pending and the next date of hearing is January 27, 2010.

7. Mr. Kaustubh Gokhale, in his individual capacity, filed a public interest litigation before the High Court, Mumbai on the ground of illegal and unauthorised constructions in the limits of Kalyan Dombivilli Municipal Corporation. The High Court appointed a five member committee headed by Judge Mr. Aguiar (Retired) to look into the matter and accordingly submit its report to the High Court. The Committee issued a notice to the Company on November 28, 2007 requesting clarifications on whether the “Topaz” building of Cluster B at Godrej Hill, Kalyan, was constructed on the development plan reservation plot. The Company has contended that the reservation was not finalised by the Government and was only for the purpose of broad zoning and land usage. The old development plan i.e., Kalyan Complex Notified Area-Plan prepared by MMRDA, was applicable for our layout before publishing the subsequent new development plan on December 5, 1996. The public reservation shown in the new development plan is not relevant to “Topaz” building as it was constructed prior to the publication of the new development plan. In this regard, intimation of disapproval was granted on December 18, 1991, the commencement certificate was granted on May 20, 1994 and the occupation certificate was obtained on November 15, 1996, which is before the publication of the new development plan. The hearing before the Committee is complete and the report of the Committee is pending.
8. Motor accident claims have been filed against the Company and New India Assurance Company Limited, as their insurers, under Section 140 of the Motor Vehicle Act 1988 (“MV Act”) for the grant of compensation under the principle no fault liability as well as Section 166 of the MV Act for the grant of just, fair and reasonable compensation, for injuries sustained by the applicants (Master Raj Uddhav Kadam and others, Neelam Jalindher Dapthare and others, Ashwini Dattayar Surse and others) allegedly by Company owned vehicles. Claims have been filed before the Motor Accident Claims Tribunal at Thane, Greater Mumbai and Kalyan respectively in the three individual complaints. The claims are pending. The Company has filed its appearance in the matter and further dates of hearing have been fixed in the matters before the various courts. The total compensation sought for in all the claims is approximately Rs. 0.37 Crores, at the minimum, along with interest of 12% per annum from date of accident till realization and penalty. The matter is pending.
9. Rohidas Mahadeo Rathod filed an application (WCA No. 210/C69/2007) under the Workmen’s Compensation Act, 1923 for grant of compensation before the court of Commissioner for Workmen’s Compensation at Bandra, Mumbai on March 16, 2007 against the Company and its insurers, New India Assurance Company Limited. The applicant was the driver of the vehicle allegedly owned by the Company which met with an accident and the applicant sustained serious injuries. The applicant claims that the injuries were sustained in the course of his employment and arising out of the employment with the Company. The total compensation sought for is Rs. 0.05 Crores along with interest of 12% per annum from the date of the accident till realization and penalty. The cost of the application is also sought. The Company has filed its appearance in the matter and has stated that the vehicle was not registered in the name of the Company, at the time of the accident. The matter is pending.
10. Savitaben Manila Vaishnav has filed a civil case bearing suit no.831 of 2006 in the Additional Civil Judge –IV, Ahmedabad (Rural) against Jaikrishna Manilal Vaishnav and Hargovan Manilal Vaishnav alleging that the defendants hold no right to title of Block No. 75, Jagatpur. Both parties claim that the dispute property is ancestral and they have exclusive right to the property. The defendants while the suit was pending sold the development rights of the property to Mukesh Keshavlal Patel and the Company has obtained development rights from Mukesh Keshavlal Patel by agreement dated September 2, 2008. The plaintiff has made an application to implead the Mukesh Keshavlal Patel and Company as defendants to the suit. The Company has filed a reply saying that it has obtained development rights in relation to the 65.76 acres out of the larger property having various survey numbers from Mr. Mukesh Keshavlal Patel and it has nothing to do with Block No.75 and so does not

confer any right on the Company in respect of the said Block No.75 for which a dispute has arisen between the plaintiffs and the defendants. The matter is pending hearing.

11. The Federation of Edenwoods Co-operative Housing Society Limited has filed a civil case No, R.C.S.No.308 of 2009 against the Company and other in the Civil Judge Court (Junior Division), Thane, on the ground of breach of the terms of Consent Decree, by the Company filed in suit no.34 of 2004 against the same parties and has thereby sought an injunction restraining the Company from carrying on construction in Company's Project Godrej Edenwoods, Thane. Company filed its reply and further injunction application restraining the Federation from creating obstructions to the Company in its construction work and entry in the Edenwoods Complex. By an order dated July 21, 2009, the Joint Civil Judge (Junior Division), Thane, restrained the plaintiff from obstructing the construction activities by the Company and allowed the Company to continue construction at its own risk. Additionally the Court restrained the Company from selling or creating any third party interest in the suit property, till final adjudication. The Company has filed an appeal bearing No.94/2009 in the District Court, Thane against the order dated July 21, 2009 passed by the Civil Judge, Thane partly against the Company. The appeal was heard on December 2, 2009 and is fixed for orders on December 16, 2009. In suit no. 308 of 2009 Federation of Edenwoods further filed an application for amending the plaint. Company filed its reply and written arguments to the application. The matter is pending. The next date fixed in the appeal for passing orders is December 18, 2009.
12. Ascent Construction has filed a civil case bearing special civil Suit No.479 of 2009 before the Civil Judge Senior Division, Thane against the Company, the Municipal Commissioner, Municipal Corporation and 16 others for declaration and injunction restraining the Company from encroaching on their plot of land measuring 2166.80 sq.mtrs at Villa Chitala Mandapa Taluk, Thane (W) and giving vacant possession to them. The allegation is that the Company along with the other defendant parties are encroaching upon the plaintiff's land. The Company has filed its reply. The next date for hearing is December 18, 2009.
13. The complainant, Mr. Satyaprakash Mangati, filed a complaint No. 147/2007 before the Consumer Dispute Redressal Forum, Thane against the Secretary, Mr. Charudatta Bhor and another ("opponents") for failure of the opponents to return Rs. 21,250 to the complainant an amount in relation to water transportation charges refunded by the Company, which maintains the water connections and transportation services. By an order dated January 23, 2008, the Consumer Dispute Redressal Forum, Thane awarded compensation to the complainant. Aggrieved by the order, the opponents have filed an appeal No. 343/2008 before the Consumer Dispute Redressal Commission, Maharashtra, adding the Company as a respondent. The appeal is pending.
14. Just and Fair Estate Private Limited ("plaintiff") has filed a civil case bearing R.C.S.NO.1293 of 2008 before the Civil Judge, Junior Division Pune, against the Company and 17 others for restraining the defendants by an order and injunction from interfering with the exclusive possession of plaintiff four car parking spaces in Godrej Millennium, Pune. The Company had sold unit No. 5 and 6 along with two car parking spaces ("dispute property") in basement No. 1 in Godrej Millennium to Mr. Jayant Shirsat by an agreement for sale dated September 7, 2000 and deed of apartment dated December 21, 2004. On June 23, 2000, the Company issued a letter to Mr. Shirsat intimating that certain car parking spaces have been reserved for the customer/visitors of Mr. Shirsat's licensee (BNP Paribas Bank). Subsequently Mr. Shirsat sold the dispute property along with car park space reserved for visitors of his licensees to the plaintiff under an agreement for sale dated June 15, 2006. The plaintiff claims that the car parking spaces fall within the ambit of the agreement to sell dated June 15, 2006 and further the Company should therefore execute a deed of correction for the agreement to sell dated September 7, 2000 and deed of apartment dated December 21, 2004. The Company filed its reply and the matter was heard on November 3, 2009. The court dismissed certain other parties from the matter due to default in the service of summons. The matter is pending for hearing against the other parties.
15. Tarulataben Parmar and Birenbbhai Parmar, legal heirs of Bharat Parmar have filed a case No. 483 of 2009 before the Principal Senior Civil Judge inter alia against Raiben, legal heir of Bhikhaji Masangji. The case is filed for claiming rights to the suit property bearing Block No.119, Jatapur and for

restraining the defendants from in any manner dealing with the suit property. The Company has obtained the land from the defendants and is hence a party to the suit. The matter is pending.

16. Godrej Sherwood Co-operative Housing Society Limited has filed a case R.C.S. No.1053/2005 against the Company before IV Joint Civil Judge, Senior Division, Pune. The suit is filed claiming right with respect to the plot of land and premises constructed on land bearing no.64/A-1, 64/B, 64/B-1, 64/B-2 admeasuring 40 square meters at Shivaji Nagar, Pune. The Company has filed its written statement and the matter is pending.

Criminal Proceedings

1. Our Company, along with its directors, Mr. Adi B. Godrej, Mr. Amit B. Choudhury and Mr. Milind S. Korde and other employees, filed a criminal writ petition (WP No. 1360 of 2006) challenging the order passed by the sessions judge dated May 5, 2006 in criminal revision application No. 386 of 2006 whereby the judge refused to quash the proceedings initiated by Grentex in criminal case No. 388/M/2004 filed before the Metropolitan Magistrate. The matter in the criminal complaint filed before the metropolitan magistrate relates to the development agreement dated December 30, 1997. In the complaint Grentex has alleged offences relating to misappropriation of funds and falsification of accounts by our Company. The magistrate referred the dispute for investigation under the section 202 of the Criminal Procedure Code, 1908 and based on the report issued process against our Company by its order dated February 1, 2006. Thus, our Company has filed the writ petition for setting aside the criminal complaint as well as the orders passed by the magistrate and the sessions judge. Our Company has also filed a criminal application (No. 2133 of 2006) for quashing the criminal case pending before the metropolitan magistrate and the order of the magistrate issuing process. Both the matters are disposed off by an order dated September 13, 2007 of the High Court of Mumbai, Criminal Appellate Jurisdiction wherein the respondent i.e. Grentex Wools Private Limited has submitted that in view of the arbitration proceedings pending, the respondent will not proceed with the criminal case bearing number 41/SW/2006 pending in the M.M Court at Vikhroli, which is filed by them. The matter is pending and the next date of hearing is January 20, 2010.
2. Zinnia Cooperative Housing Society filed a complaint (No. 94 of 2003) before the Magistrate under sections 11, 13 and 14 of the Maharashtra Ownership of Flats, 1963 and sections 269 and 270 of the Indian Penal Code, against the Company and the Managing Director of the Company. Our Company developed a complex known as “Godrej Hill” at Kalyan. Various persons purchased flats in the complex and accordingly became flat owners in the Complainant Society. The complainant alleged that according to the agreements entered into between our Company and the flat owners it was agreed that our Company shall provide certain amenities like water distribution system, sewage disposal system, bus service between the society complex and Kalyan station etc, to the flat owners. However, our Company received legal notices on October 25, 2005 in relation to discontinuance of the bus service between the Society complex and the Kalyan Station. The same has been replied to with adequate denials by our Company on November 10, 2005. The contention of the Company is that the bus service was discontinued by the service provider M/s. Trevor Britto due to non-payment of bus charges by the societies in the complex. The responsibility of payment of bus charges does not rest with the Company. The matter is pending in the criminal court at Kalyan. The matter is pending.

Income Tax Proceedings

1. Our Company has filed an appeal under Section 264A(1)(a) of the Income Tax Act, 1961 before the Commissioner of Income Tax (Appeals) – X, Mumbai on January 22, 2008 against the assessment order dated December 20, 2007 relating to the assessment year 2005-2006. The appeal has been filed on the grounds of disallowance of a part of the project cost of the Company and income from house property. The total amount claimed is approximately Rs. 0.27 Crores. The appeal has been partly heard by the Commissioner who has called for a remand report from the Assessing Officer, which is pending as of date. The matter is currently pending.

2. Our Company has filed an appeal before the Commissioner of Income Tax (Appeals)-X Mumbai, under Section 246A(1)(a) of the Income Tax Act, 1961 against the assessment order under section 143(3) of the Income Tax Act, 1961 dated December 24, 2008 raising a demand of Rs.10.10 Crores. The appeal has been filed on the grounds of disallowance of the loss of Rs.0.17 Crores on development projects and Rs.19 Crores being the cost of the development rights acquired for one of the projects under development by the Company and also for non grant of credit of taxes paid aggregating to Rs.1.15 Crores. The appeal is yet to be heard before the Commissioner.

Notices received by the Company

1. Show cause notice dated November 19, 2007 has been issued against the Company and its Managing Director, Mr. Milind S. Korde, under the Minimum Wages Act, 1948 by the Office of the Deputy Commissioner of Labour, Thane in relation to the Godrej Edenwoods Project at Thane. The show cause notice is pursuant to certain inspection remarks issued by the Deputy Commissioner on October 4, 2007 with regard to certain alleged contractor's compliance irregularities and rectification advice. The Company has responded to the show cause notice on December 17, 2007 stating that the Company had replied to the inspection remarks through their letter Ref. No. Pers/SR/148 dated October 12, 2007 in respect of compliance, which has been acknowledged by the office of the Deputy Commissioner of Labour. The Company has requested for an opportunity for production of records and documents before the Office, in support of the Company's compliance.
2. Show cause notice dated November 19, 2007 has been issued against the Company and its Managing Director, Mr. Milind S. Korde, under the Contract Labour Act, 1970 by the Office of the Deputy Commissioner of Labour, Thane in relation to the Godrej Edenwoods Project at Thane. The show cause notice is pursuant to certain inspection remarks issued by the Deputy Commissioner on October 4, 2007 with regard to certain alleged contractor's compliance irregularities and rectification advice. The Company has responded to the show cause notice on December 17, 2007 stating that the Company had replied to the inspection remarks through their letter Ref. No. Pers/SR/148 dated October 12, 2007 in respect of compliance, which has been acknowledged by the office of the Deputy Commissioner of Labour. The Company has requested for an opportunity for production of records and documents before the Office, in support of the Company's compliance
3. Notice No. ACL/DyCL/Desk-22 of 2008 has been issued by the Office of the Deputy Commissioner of Labour to Mr. Milind S. Korde, Managing Director of our Company on January 31, 2008 in respect of Simplex Mills compound, Byculla for non-implementation of labour laws and its provisions as required under the Contract Labour Act, 1970, Minimum Wages Act, 1948, Payment of Wages Act and The Building and Other Construction Workers (Regulation of Employment and Conditions of Service) Act, 1996. It is the contention of the Assistant Commissioner of Labour that, during his visit to the site, irregularities in the maintenance of relevant records of the contract labourers engaged through several contractors, was found. The notice requires detailed records, registers and other information with regard to the contractors to be made available to the Office of the Commissioner of Labour. The Company has responded to the above notice through their letter no. Pers/SR/195 dated February 8, 2008 stating that its role in the project is as a developer, that the Company does not directly employ or engage workmen and that the statutory records have been maintained by the respective contractors, which will be made available to the Office during their subsequent inspection at the work site.
4. Show cause notice dated November 19, 2007 has been issued against the Company and its Managing Director, Mr. Milind S. Korde, under the Inter State Migrant Workmen Act, 1979 by the office of the Deputy Commissioner of Labour, Thane in relation to the Godrej Edenwoods Project at Thane. The show cause notice is pursuant to certain inspection remarks issued by the Deputy Commissioner on October 4, 2007 with regard to certain alleged contractor's compliance irregularities and rectification advice. The Company has responded to the show cause notice on December 17, 2007 stating that the Company had replied to the inspection remarks through their letter Ref. No. Pers/SR/148 dated October 12, 2007 in respect of compliance, which has been acknowledged by the office of the Deputy

- Commissioner of Labour. The Company has requested for an opportunity for production of records and documents before the Office, in support of the Company's compliance.
5. Show cause notice dated November 19, 2007 has been issued against the Company, under the Payment of Bonus Act, 1965 by the office of the Deputy Commissioner of Labour, Thane for the Company's project at Thane. The show cause notice is pursuant to certain inspection remarks issued by the Deputy Commissioner on October 25, 2007 with regard to certain alleged contractor's compliance irregularities and rectification advice. The Company has responded to the show cause notice on December 17, 2007 stating that the Company had replied to the inspection remarks through their letter Ref. No. Pers/SR/148 dated October 12, 2007 in respect of compliance, which has been acknowledged by the Office of the Deputy Commissioner of Labour. The Company has requested for an opportunity for production of records and documents before the Office, in support of the Company's compliance.
 6. Notice under Section 143(2) of the Income Tax Act, 1961 dated November 20, 2007 issued by the Office of the ADL/JCIT Range 10(2), Mumbai seeking clarifications with regard to the return of income submitted by the Company on November 24, 2006 for the assessment year 2006-2007. The hearing before the Deputy Commissioner of Income Tax is pending.
 7. Notice has been issued by the Municipal Corporation of Greater Mumbai by letter No. 312/A&C's Vig Cell dated July 6, 2007 demanding a payment of Octroi for downloading software licenses from servers located within Greater Mumbai limits as it amounts to import. The notice further demanded the Company to produce the documents downloaded and octroi payment receipts failing which penalty under 478-IB of the Mumbai Municipal Corporation Act, 1888 may be imposed. The Company has filed a reply dated August 6, 2007 taking a stand that the software downloaded are not constituted in a tangible medium. And hence no Octroi is leviable. Further the demand for octroi is barred by limitation under the Rule 25 of the Municipal Corporation (Levy) Octroi Rules 1965. However the Municipal Corporation has issued a further notice on October 7, 2009 vide letter No.OCT/015/A& C's Vig Cell calling upon to furnish octroi payment documents for verification. The Company has replied to the said notice vide letter dated October 16, 2009 holding that the Company is not entitled to pay the Octroi duty and requested to revoke the demand raised on the Company. The Corporation of Mumbai has replied vide letter dated November 5, 2009 bearing No. Oct/598/A&C's Vig Cell reiterating the Octroi of 5.5% of the invoice amount is leviable on all software bought into Mumbai and hence the Company is liable. The matter is pending.
 8. Visit note dated February 14, 2009 under relevant provisions of Employees Provident Fund and Miscellaneous Provisions Act 1952 was received from the enforcement officer under the Act to the project management consultant at Thane, who has been appointed for Godrej – Edenwood project of Godrej Properties Limited at Thane. This was in respect to the production of Provident Fund related documents pertaining to the contractors working at the said project site including principal contractor BEBL. The visit note was replied to by the project management consultant vide their letter dated February 20, 2009. The statutory compliance in terms of remittance of EPF dues and filing returns by the contractor has been complied with.
 9. Notice has been issued by Enforcement Officer Employee's Provident Fund Organisation, Thane, dated March 3, 2006, for furnishing the details of the contractors and their compliance position for the Godrej Edenwoods Site, Thane. The Company has filed its reply.
 10. Notice has been received from The Maharashtra Labour Welfare Board issued by the Assistant Labour Commissioner dated September 23, 2008, requesting to produce the records for ascertaining the correctness of the sum paid under the provisions of the Bombay Labour Welfare Fund Act, 1953. The Company has filed its reply.
 11. The Company has received a letter bearing no. MLWB/CONTEEG/INSP/VOR/4292 dated July 17, 2009, for our submission of documents / challans evidencing labour welfare fund remittance to Government. A reply was filed vide letter no. Pers/ SR/440, dated September 23, 2009 under acknowledgement of the department. The Company has clarified that the Company does not directly

- engage contractual workmen for execution of project site as defined under the Bombay Labour Welfare Fund Act, 1953.
12. The Company has received Inspection Notes under Contract Labour (Regulation and Abolition) Act, 1970 dated August 31, 2008 from the Labour Department-Bangalore. The same has been fully complied and reply has been given to authorities under acknowledgement.
 13. The Company has received Inspection Notice under Building and Other Construction Workers (Regulation of Employment and Conditions of Service) Act 1996 regarding Labour Welfare CESS dated August 31, 2009 from the Labour Department-Bangalore. The CESS amount, as assessed by the Authority has been paid in full, the Company has filed the return in Form - I and the same has been acknowledged by the authorities.
 14. Mr. P.P. Mehta a resident of Godrej Hill, Kalyan, the project developed by the Company, has lodged a complaint letter dated August 3, 2009 with SEBI on the ground that the Company has violated the provisions of Section 11 of the Maharashtra Ownership Of Flats Act, 1963 by not providing the conveyance deed to the society developed by the company at Godrej Hill, Kalyan West and also on the ground that the company has committed breach of contract as certain amenities are not provided for as promised by the company. Prior to making this complaint to SEBI, P.P. Mehta vide letter dated July 15, 2009 had sent a notice to the company. The company had replied by letter dated June 22, 2009 denying the allegation and stating that the draft of conveyance has been forwarded to society vide letter October 23, 2007. The society had replied on October 23, 2009 confirming receipt of the draft conveyance through its ex-chairman Mr. P.P. Mehta and informing to seeking legal opinion on the draft. The matter is pending.
 15. Notice has been issued by the Income tax officer, Mumbai dated October 23, 2009 for a demand of Rs.3,581 as arrears on tax payment under the tax deduction at source. The Company has replied to the notice by letter dated November 27, 2009 through their Chartered Accountant Kalyaniwala & Mistry requesting to delete the demand.

Litigation by the Company

Civil Proceedings

1. A revision petition No. 38/2005 under Section 154 of the Maharashtra Co-operative Housing Societies Act, 1960 has been filed by our Company against Grentex Wools Private Limited and Greenville Park Cooperative Housing Society ("Housing Society") before the State Minister for Co-operation, Maharashtra State, Mumbai on December 29, 2004 for quashing the impugned order of the Divisional Joint Registrar, Navi Mumbai dated November 24, 2004. The brief background of the case is that our Company entered into an Agreement dated December 30, 1997 with Grentex Wools Private Limited ("Grentex") as project managers for the development of land owned by Grentex. Whilst, there was some delay in the completion of construction of one wing due to no fault of the Company, the Company formed the Housing Society subsequent to the sale of 60% of the total flats of Greenville Park. Grentex filed an appeal No. 77/2003 before the Divisional Joint Registrar Cooperative Societies challenging the registration of the Housing Society, which was effected as per the order of the Deputy Registrar of Cooperative Societies dated February 21, 2003. The Joint Registrar by its order dated November 24, 2004 quashed and set aside the Registration Certificate dated February 21, 2003 of the Housing Society. Our Company filed the present revision petition challenging this order of the Joint Registrar. The said matter was heard on February 5, 2008 and an order was passed by the State Ministry (Co-operative), Mantralay dated May 26, 2008 upholding the registration of the Greenville Park Co-operative Housing Society. Grentex Wools Private Limited has filed a writ petition in the High Court, Mumbai bearing writ petition stamp no. 5178 of 2008 against Greenville Park Co-operative Housing Society, the Company and the State of Maharashtra and others. The petition is against the said Order and is pending for hearing.

2. Our Company has referred to arbitration a dispute with Grentex Wools Private Limited (“Grentex”) arising out of a development agreement entered into with Grentex with respect to property situated at Village Kiroli, LBS Marg, Ghatkopar, Mumbai. The parties had entered into the development agreement dated December 30, 1997 wherein our Company, in its capacity as the project manager, was required to extend co-operation and provide services, finance and expertise in relation to the project to be developed. During the execution of the project certain dispute arose between the parties in relation to the sharing and division of the revenue received for the sale of the flats in the project. The matter is currently pending before the arbitral tribunal. The cross-examination of our Company’s witness is continuing and the next date of hearing is to be fixed for further cross examinations. The total amount claimed in the matter is Rs. 4.30 Crores.
3. The Company along with Sitaldas Estate Private Limited had filed 34 eviction cases against various tenants of Sitaldas Estate before the Small Causes Court, Mumbai. The Company has terminated its previous agreements (Memorandum of Association and Agreement of 1999) by entering into a Deed of Cancellation on September 26, 2009 by virtue of which the Company is no longer party to the eviction suits. However, the Company has intimated the tenants that it has withdrawn from the case and is no longer party to the suit. In furtherance of the same the Company would be making an application for withdrawal in the cases where consent terms are filed between the Company, Sitaldas and the respective tenants.
4. Simplex Realty Limited has filed a case against Bombay Municipal Corporation in the Small Causes Court, Mumbai on April 7, 2006, challenging the rateable value for “Land being built upon and Open Land” fixed by the corporation and has filed an appeal in the Small Causes Court for getting the old rateable value of Rs. 0.22 Crores restored. The Company is an interested party in the matter as it is the developer of the said land belonging to Simplex Realty Limited. The matter is pending.
5. Kailash Premnarayan and Others filed an Appeal, through the Company, bearing Stamp No.1734/2001 against Bombay Municipal Corporation in the Small Causes Court, Mumbai on August 23, 2001, for fixing the rateable value for the property situated at Godrej Indraprastha, H/W. Ward No.3081- 5A, Khar (West). The appeal has been filed through the Company as the said property has been developed by the Company and the appellants had executed a power of attorney in favour of the Company with regard to future litigation claims. The matter is pending and no further date is fixed in the matter.
6. Our Company filed a case No. 200 of 2000 before the Labour Court, Thane against the Akhil Maharashtra Kamgar Union, against its four ex-site employees viz. Mr. Prasad Shrikhande, Mr. Kiran Wale, Mr. Anil D’Cunha and Mr. Vishram Kudalkar. The four ex-site employees were transferred to the Hyderabad project site in January 1999. The employees did not report for work and in consequence thereof their services were terminated and compensation in lieu of one months notice was paid to them. The transfer order is not challenged but claim is that they are “workmen” under the Industrial Disputes Act, 1947 and thus are entitled to compensation such as back wages, performance linked variable remuneration, bonus from date of termination of services till date. The matter is pending.
7. Our Company has filed an appeal No. 55 of 1997 against the State of Maharashtra, Deputy Inspector General of Registration and Deputy Controller of Stamps and Chief Controlling Revenue Authority, Maharashtra before the Chief Controlling Revenue Authority at Pune. The matter relates to payment of deficient stamp duty by the Company. The background of the case is that our Company by an Agreement dated November 28, 1995 Housing Development Finance Corporation Limited (“HDFC”), the shareholder of Tahir Properties Private Limited (“TPPL”), agreed to sell to our Company 70,000 convertible preference- Class B shares for an aggregate consideration of Rs.12.76 Crores. Under the said Agreement, our Company had agreed to pay stamp duty, legal expenses and all other costs, charges and expenses in relation to the said Agreement. Our Company filed Form 37-I as required to be filed under chapter XXC of the Income Tax Act, 1961. The share capital of TPPL consists of several classes of shares. It was mentioned in the Form 37-I that on conversion of 70,000 partly paid convertible preference-Class B shares of TPPL to convertible preference-Class C shares, the holders will get rights as set out in the Articles of Association of TPPL in respect of Flat No.1 in the building proposed to be constructed on their immovable property located at the proposed structure of TPPL

situated at Plot No.1, Maulana Abdul Gaffar Khan Road, Worli, Mumbai. The Deputy Inspector General of Registration and Deputy Controller of Stamps by their Order dated July 23, 1997 and August 26, 1997 required our Company to pay a sum of Rs. 14.85 Crores and a fine at the rate of 2% per month from the date of the said Agreement till the payment of stamp duty. The shares were not converted till date of filing of the appeal. The contention of the Company is that the Agreement entered into is only for the purchase of shares of TPPL and not for the purchase of any immovable property. The matter is now pending before the Chief Controlling Revenue Authority, Pune. The total amount demanded as deficient stamp duty amounts to Rs. 14.85 Crores with a fine of 2% per month from the date of the Agreement till the payment of stamp duty. The matter is pending.

8. Our Company has filed a writ appeal in writ petition No.15764 of 2008 (Income Tax) against the Assistant Commissioner of Income Tax and others, for setting aside the order of attachment passed by the Assistant Commissioner of Income Tax under section 281B of the Income Tax Act, 1961 and against the impugned order passed by the Single Judge of the High Court of Karnataka at Bangalore. The Assistant Commissioner had issued the order of attachment on January 17, 2008 subsequent of assessing the tax filings of the Company. The Assistant Commissioner has issued a revised order No. Fiza/AC/CC-2(3)/09-10 on November 19, 2009. The revised order restricts the enforcement of the order only to the extent of interest of Mr. B M Farookh for a period of six months from the date of the order as provisional attachment. The case is pending for hearing.

Criminal Proceedings

1. Our Company has filed criminal petition No. 4520/2007 under Section 482 of the Criminal Procedure Code 1973 before the High Court of Karnataka at Bangalore, against Mr. G. Parameshwarappa and others for quashing the proceedings and investigation in FIR No. 270/07 of Hebbal Police Station, Bangalore under Section 447 of the Indian Penal Code, 1860 and Section 192-A of Karnataka Land Revenue Act, 1964 against our Company as developers. The legality of our Company's inclusion in the investigation and proceedings has been questioned in the petition and the matter is pending.

Litigations involving lands forming part of Completed, Ongoing and Forthcoming in which neither the Company nor the Directors are parties

1. Mr. Jehangir Wadia and others filed a Civil Suit (Suit No. 19/2006) against Lokmanya Pan Bazar Association Limited and Jagshi Chedda (Silver Developers) before the High Court, Mumbai. Mr. Jehangir Wadia and others are the present trustees of the Wadia Trust. The subject matter of the dispute relates to declaration of the trust as the owners of CTS No. 638, cancellation and surrender of Deed of Rectification, restoration of the title of CTS No. 638, compensation for wrongfully surrendering property not belonging to Lokmanya Association and others (Defendants) for obtaining extra FSI. The total amount of claim in the matter is Rs. 3.31 Crores, which reflects the market value of the trust land and Rs.0.03 Crores as mesne profits/compensation. The Company is an interested party to the case being the developer of the property which is the subject matter of the said suit petition. In the said suit Lokmanya Pan Bazar had filed a Chamber Summons bearing No.1334 of 2006 for seeking inspection of documents from the plaintiff. The said Chamber Summons is allowed by order dated May 6, 2009 and Wadia Trust (plaintiff) has gone into an Appeal against the said order. The said matter is still pending.
2. Ms. Shaila Yashwant Wadekar and others have filed a petition No.1063 of 2005 against the owner Mr. Deepak Tekchand Varma before the High Court, Bombay. The claim is with regard to the right, title and interest in the suit property at Thane where the Company as a developer has built its Edenwoods Complex. The Company is an interested party to the case being the developer of the property which is the subject matter of the said suit petition. The petition was admitted on April 16, 2007 and thereafter the matter has not come up for final hearing.
3. Mrs.Jamilabakhte has filed a regular civil suit No.306/2008 before the Senior Civil Judge, Ahmedabad (Rural) claiming her rights in land bearing Survey No.37 and Survey No.45 on the ground that her son

- Asif Khan has sold dispute property without her knowledge or consent. The Company is not a party to the case. The said matter is pending.
4. Mr. Devshibhai.R.Bharwad has filed a special civil suit No.231/2009 before the Senior Civil Judge, Ahmedabad (Rural) against Atmaram Patel and others in respect of land bearing Survey No.43. An injunction application seeking directions to the defendants to not transfer the dispute property pursuant to registered sale deed dated October 13, 2009 was granted. The Company is not a party to the case. The said matter is pending.
 5. A caveat is filed by Mr. Kalpeshbhai Patel on May 16, 2007 before the Civil Judge, Ahmedabad(Rural) claiming his right to land bearing Survey No.65.The Company is not a party to the said Caveat.
 6. Chanduji Thakore, Mahotji Thakore, Diveshji Thakor, Dashrathji Mangali and Lilaben Thakore have filed a civil suit No.40/2009 before the Principal Civil Judge, Senior Division, Ahmedabad (Rural) against erstwhile owners of land bearing S.No.29/A and Mukeshbhai Patel, claiming possession over the dispute property. The Company is not a party to the case. The said matter is pending.
 7. Tarulataben Parmar and Birenbhai Parmar, legal heirs of Bharat Parmar have filed a suit R.D.M. No. 16 of 2009 before the Principal Senior Civil Judge, Ahmedabad (Rural) against Kiritbhai Gobarji Thakore and others. The case is filed for specific performance of an Agreement to Sell executed between the ancestors of both the parties in respect of Block No.111 and 112 at Dascroi, Ahmedabad and from restraining the defendants from dealing with the dispute property. The Company is not a party to the case. The said matter is pending.

Litigation by subsidiaries

Godrej Realty Private Limited

Income tax

Our Company has preferred an appeal before Commissioner of Income Tax (Appeals - I), Mumbai under section 246A (1)(a) of the Income Tax Act,1961 against the assessment order under section 143(3) of the Income Tax Act, 1961 dated December 16, 2008 received on January 5, 2009 challenging the demand raised of Rs.0.004 Crores approximately. The company has preferred the said appeal on the grounds that the assessing officer has erred in taxing the interest received by the company as income under the head other sources instead of taxing the same as business income.

Dues owed by the Company to Micro, Small and Medium Industries

Under the Micro, Small and Medium Enterprises Development Act, 2006 which came into force from October 2, 2006, certain disclosures are required to be made relating to Micro, Small and Medium Enterprises. The Company is in the process of compiling relevant information from its suppliers about their coverage under the said Act. Since the relevant information is not readily available, no disclosures have been made in the accounts and this section.

Notices received by the Subsidiaries of the Company

Godrej Realty Private Limited

A public notice was published in the Times of India dated June 26, 2006 by the High Energy Materials Research Laboratory ("HEMRL"), situated at Sutarwadi, Pune informing the public regarding restrictions on the use and enjoyment of land lying in the vicinity of HEMRL. The area measuring about 810 acres is declared as notified area vide Gazette of India Notification dated April 27, 2002 under Section 3 of the Works of Defence Act, 1903. The notice further stated that no civil construction activities are allowed within the proximity of 457.2 metres from the security wall of HEMRL and that all such construction shall be viewed as

unauthorised. A major portion of the property at Bavdhan, Pune, which the Company had undertaken for development activity, is falling under the restricted area. The Company has voluntarily at present has suspended development activity at this site.

Litigation against Directors

Mr. Adi B. Godrej

1. The Company, along with its directors, Mr. Adi B. Godrej, Mr. Amit B. Choudhury and Mr. Milind S. Korde and other employees, filed a criminal writ petition (WP No. 1360 of 2006) challenging the order passed by the sessions judge dated May 5, 2006 in Criminal Revision Application No. 386 of 2006 whereby the judge refused to quash the proceedings initiated by Grentex in Criminal Case No. 388/M/2004 filed before the Metropolitan Magistrate. For further details please refer to “Litigation against the Company – Criminal Proceedings – S. No. 1 – Grentex criminal proceedings”.
2. Mr. Ghanshyamdas Gupta of Alpa Cares, a Franchisee has filed a private complaint under Section 138 read with Section 141 of Negotiable Instruments Act (C.C. No. 1828/SS/2006) before the Metropolitan Magistrate 43rd Court Borivali, Mumbai against Godrej HiCare Limited, Mr. Adi B. Godrej, Mr. A. Mahendran, Mr. Vikas Hajela and Mr. Samira Kundu. The facts of the case are that Godrej HiCare Limited had inadvertently issued a cheque of Rs. 0.035 Crores but when found out that a sum of Rs. 0.097 Crores is due and payable to Godrej HiCare Limited by Mr. Gupta, Godrej HiCare Limited advised their bankers to stop payment to Mr. Gupta which was intimated to Mr. Gupta, however, the cheque was presented for clearance by Mr. Gupta which was not honoured by the bank as per Godrej HiCare Limited’s instruction. Therefore, Mr. Gupta filed the abovementioned complaint. Based on the complaint filed by Mr. Gupta the Magistrate issued process against all the accused. Mr. Adi B. Godrej and Mr. A. Mahendran filed a Criminal Revision Application (No. 209/2007) before the Sessions Court, Bombay to quash the order of the Magistrate. The Sessions Court rejected their plea. Therefore, they filed a criminal application (No. 1793/2007) before the High Court, Bombay against the order of the Sessions Court. The High Court stayed the proceedings pending before the Magistrate against Mr. Adi B. Godrej, Mr. A. Mahendran without prejudice to proceed against the other accused. Since the Magistrate is not proceeding with the trial against other accused, Ghanshyamdas has moved an application before High Court requesting the Court to direct Magistrate to proceed against Vijay Hajela and Mr. Samir Kundu.
3. A distributor of Godrej Consumer Products Limited (“GCPL”) filed a criminal complaint against Mr. Adi B. Godrej and Mr. Y. Chadha, the field executive, under sections 406 and 420 of the Indian Penal Code, 1860, before the Chief Judicial Magistrate at Etawah, for non-payment of dues. GCPL filed a petition under the Allahabad High Court under Section 482 Criminal Procedure Code *inter alia* praying for a stay of the proceedings before the Chief Judicial Magistrate. The High Court stayed the proceedings by an order dated April 4, 2003 and the matter is pending for final disposal before the Allahabad High Court.
4. The Enforcement Directorate, Mumbai has filed three writ petitions before the High Court, Bombay being writ petition nos. 2780 of 2004, 2781 of 2004 and 2782 of 2004 against Godrej Soaps Limited, Mr. Nadir B. Godrej and Mr. Adi B. Godrej alleging violation of Foreign Exchange Regulation Act, 1973 for failure to receive foreign exchange in relation to the imports carried out in 1977-78. The three writ petitions mentioned above were disposed off by the High Court on September 13, 2006 who remanded the matter to the Special Director (Appeals) to hear the case on merits in accordance with law. The matter is now pending with the Special Director (Appeals).
5. A criminal complaint No. CRIM/1/1994-1995 was filed against Mr. Adi B. Godrej and other Directors before Metropolitan Magistrate, Mazgaon for not mentioning scrap in the agreement on soaps sold to a party. The other directors have been discharged by Court in 1996; an application for discharge of Mr. Godrej has been moved before Magistrate in 2009. The matter is pending.
6. A case No.S.T.C.No.50 of 2009 is filed before the Judicial Magistrate First Class, Mangalveda, by

- Inspector of Legal Metrology, Solapur, Pune against Godrej Agrovat Limited and its Directors including Mr. Adi.B.Godrej and Mr. Nadir B.Godrej. The case is filed under section 51 read with 33 and (6) (1) (a) of Standards of Weights and Measures (PC) Rules. The said matter is stayed.
7. A Criminal Application is filed before the Additional Sub Judge, Pandharpur by Godrej Agrovat Limited and its Directors including Mr. Adi.B.Godrej and Mr. Nadir B.Godrej against Deputy Controller of Legal Metrology, Solapur, Pune. The summons has been served and report is awaited. The matter is pending.
 8. A criminal writ petition No.1935/2009 is filed before the High Court, Mumbai, by Godrej & Boyce Manufacturing Company Limited along with its Directors including Mr. Adi.B.Godrej, Mr. Jamshyd N. Godrej and Mr. Nadir B.Godrej against the State of Maharashtra and others. The license inspectors from Mumbai Municipal Corporation had visited the Byculla Showroom of the petitioners for routine inspection on September 24, 2008 and had demanded storage license for keeping wooden furniture in the store. The same was not produced for inspection as the Company had not obtained the licence. Therefore the inspector submitted his reports dated September 24, 2008 and December 17, 2008 with a complaint bearing Nos.4110650/SS/08 and 4100072/SS/09 at the 41st Magistrate Court at Dadar, Mumbai, in the complaint summons has been issued against all the directors to appear before the Magistrate. On August 7, 2009 a criminal application under section 482 was filed in High Court, Bombay for quashing the above order. Further, an order for stay of proceedings for the complaints and an interim relief of staying further proceedings on the complaints was granted on September 18, 2009.
 9. Surenkumar Shetty has preferred a criminal revision application No.474 of 2008 before the Sessions Court, Mumbai, against the State of Maharashtra, Godrej & Boyce Manufacturing Company Limited (Construction Division), Mr. Adi.B.Godrej, Director and Mr. Maneck Engineer, Vice-President (Construction). The revision is filed against the order dated April 10, 2008 passed by the Metropolitan Magistrate XXXIV Court, Vikhroli in original complaint case. No.60/Misc/2007 dismissing the complaint of Surenkumar under section 203 of the Criminal Procedure Code. In the revision, process was issued against all the accused. In the meanwhile the Company, Mr. Adi.B. Godrej and Mr. Maneck Engineer filed a criminal application No.49/2009 against order dated September 1, 2008 and order of Magistrate issuing process on complaint before the XXXIV Court, Vikhroli. The application was partly allowed quashing the order dated September 1, 2008 and October 7, 2008 and also restores the revision application no.474 of 2008 with inter alia directions that the contentions of parties on merits are kept open. The revision application was heard by the Sessions Court on September 15, 2009 and by order dated October 5, 2009 it was allowed by setting aside order dated April 10, 2008 passed by the Vikhroli Court and directing Magistrate to issue process against defendants for offences punishable under sections 3,4,5,13,13-A and 14 of the Maharashtra Ownership Flat Act, 1963. The revision was accordingly disposed off. The Company has filed a writ petition under section 482 for quashing order dated October 5, 2009. The High Court, Mumbai has by its order dated November 20, 2009 granting interim stay to order of issuance of process against Mr. Adi B Godrej and Mr. Maneck Engineer. The matter was heard in the trial court and the court has ordered that no further proceeding will be conducted till further orders from the court on this matter. The next date of hearing is February 4, 2010.
 10. The Municipal Corporation has filed five criminal complaints bearing Criminal Case Nos.4204734/S/2009, 4204735/S/2009, 4204736/S/2009, 4204737/S/2009 and 4204738/S/2009 in the court of the Presidency Magistrate - 42nd Court, Dadar against all the Directors of Godrej & Boyce Manufacturing Company Limited. The complaint is filed under Section 394 read with section 471 of the Bombay Municipal Corporation Act alleging that they had conducted business without obtaining requisite licence in respect of activities at Plant 5 and 11 of Godrej and Boyce. The matter is pending and the next date of hearing is March 12, 2010.
 11. The Municipal Corporation has filed a criminal complaint no. 4204886/SS/2009 pertaining to a factory premises at Vikhroli in the Metropolitan Magistrate's 42nd Court at Shindewadi, Dadar against all the Directors of the Company in their capacity as directors of a promoter company. Summons was served on the Company on December 1, 2009 and subsequently were issued to the Directors. The next date of

hearing is March 12, 2010.

Mr. Jamshyd N. Godrej

1. Two special leave petitions (SLP (C) No. 9684-9687 of 2007 and SLP (C) No. 21536 of 2007) have been filed by Chatterjee Petrochem (India) Private Limited and Chaterjee Petrochem (Mauritius) Company and Others, against Haldia Petrochemicals Limited, which are pending for adjudication before the Supreme Court. As a director of Haldia Petrochemicals Limited Mr. Jamshyd N. Godrej is a respondent in these special leave petitions.
2. Vijay Parade has filed a consumer case No.218/2008 before the District Consumer Redressal Forum, Raipur against Mr. J.N.Godrej, Managing Director and Godrej & Boyce Manufacturing Company Limited. A notice was received as per the case filed by Vijay Parade stating there was manufacturing defect in the refrigerator purchased by Vijay Parade and the claim is replacement of the refrigerator. The reply is filed by the defendants and the next date for hearing is December 24, 2009.
3. Ram Upadhyay has filed a consumer case No.181/2009 in the District Consumer Forum, Mumbai, against Mr. J.N.Godrej, Managing Director and Godrej & Boyce Manufacturing Company Limited. The case is filed for replacement of new stabiliser in place of old one which was offered to complainant as settlement along with cheque for Rs.1700 previously in the dispute. The Company has filed its written statement. The complainant had filed in the said case an application asking the court to test the stabiliser and a further application to appoint a laboratory recommended by him. The court passed the order on November 11, 2009 recalling the order dated July 23, 2009. The stabiliser has been externally examined before the Forum by the technician of the complainant. The matter is fixed for hearing on March 29, 2010.
4. Godrej & Boyce Manufacturing Company Limited had filed complaint no.86/2006 under section 138 of the Negotiable Instruments Act against Mr. Shantimal Jain of Sanklecha Brothers Private Limited and summons was served in 2005. After receipt of summons Mr. Jain filed a counter complaint against the company and J.N.Godrej, P.D.Lam, G.A.Khan, Shailesh Jain, Pran Mitra, M.A.Khan, Avinash Kamble and S.V.Parekh alleging misuse of cheque. The allegation made out is of forgery. Mr. Shantimal Jain has filed complaint under section 190 of Criminal Procedure Code. The court sent the complaint for registration to Sardarpura Police Station, Jodhpur and FIR No.167 of 2007 under section 420,406,384,471,120B was registered. The company has challenged the FIR by filing a petition under section 482 of Criminal Procedure Code for quashing of proceedings before High Court, Jodhpur. During pendency of FIR police has filed a final report in court stating that the matter is of civil nature relating to dispute of payments only. Shantimal Jain filed protest petition in Chief Judicial Magistrate who had referred the case to the police. The High Court of Jodhpur has stayed all further investigation. The matter is pending.
5. Kripashanker Awasthi has filed a consumer case No.243/2008 before the District Consumer Forum Lucknow against Ajay Dubey, Mr. J.N.Godrej and P.D.Lam. The complainant had booked a refrigerator through Godrej Direct but was not delivered due to non availability of stock. Advance cheque of Rs.500 was returned to the complainant by registered post. But since the house was locked it could not be returned to the complainant. The complainant lodged a complaint demanding delivery of the same model refrigerator. Preliminary objections were filed before the forum and reply from the complainant is pending.
6. A criminal writ petition No.1935/2009 is filed before the High Court, Mumbai, by Godrej & Boyce Manufacturing Company Limited along with its Directors including Mr. Adi.B.Godrej and Mr. Nadir B.Godrej against the State of Maharashtra and others. For detail please see section titled "Outstanding Litigation and Material Development – Litigation against Directors: Mr. Adi B Godrej" on page 325 of the Prospectus.
7. The Municipal Corporation has filed five criminal complaints bearing Criminal Case Nos.4204734/S/2009, 4204735/S/2009, 4204736/S/2009, 4204737/S/2009 and 4204738/S/2009 in the

- court of the Presidency Magistrate - 42nd Court, Dadar against all the Directors of Godrej & Boyce Manufacturing Company Limited. For detail please see section titled "Outstanding Litigation and Material Development – Litigation against Directors: Mr. Adi B Godrej" on page 325 of the Prospectus.
8. Aman Kumar has filed a consumer case No. OP 373/2006 under section 12A of the Consumer Protection Act, 1986 before the District Consumer Redressal Forum, Chennai against M/s.MGN Appliances Services, M/s. Garuda Services, M/s.Keechery Engineering Co, The Branch Manager, Godrej & Boyce Manufacturing Company Limited and The Managing Director, Godrej & Boyce Manufacturing Company Limited, Vikhroli. The first three parties are the authorized service providers of Godrej & Boyce Manufacturing Company Limited. The complainant Aman Kumar bought a refrigerator on September 6, 2004 and renewed the service contract for 5 years which is valid upto September 4, 2010. The complainant claims that he has made several complaints on various dates and he also claims that he had sent a letter on January 17, 2006 requesting to refund a sum of Rs.22552. He filed the above complaint towards refund of Rs. 22552 towards the cost of the refrigerator and the service contract amount and Rs.25000 towards damages and Rs.7500 towards legal expenses. The matter is pending and the next date for hearing is December 24, 2009.
 9. Sabyasachi an ex-employee of Godrej & Boyce Manufacturing Company Limited has filed a Civil Suit No.744/2008 before the Civil Judge Senior Division Court, Bhubaneshwar, against Mr. J N Godrej, Mr. Anil Verma, Mr. B N Doongaji, Mr. Barinder Singh and against the Company, for reinstatement in service. Sabyasachi was terminated from service of the Company for misappropriation of company's accounts. The matter is pending and the next date for hearing is December 22, 2009.
 10. Mr. P.K.Singh ex-employee of Godrej & Boyce Manufacturing Company Limited filed a civil suit in the court of District Judge, Bhubaneshwar, bearing case no.182/1997 against the Managing Director, General Manger (HR Department), Regional Manager, Branch Manager (Bhubaneswar) and M/s Godrej & Boyce Manufacturing Company Limited, challenging his termination from the service. The case was heard and order was passed in favour of the Company. Mr. P.K.Singh preferred an appeal bearing Appeal No. 12 /1999 before the Orissa High Court, Cuttack along with an application for stay of the District Court Order. The appeal is pending for hearing.
 11. Subir Kumar has filed a consumer case bearing case no. 477/2007 before the Court of the Chief Judicial Magistrate, Patna against Godrej & Boyce Manufacturing Company Limited, Appliance Care, Authorised Service Centre, Godrej & Boyce Manufacturing Company Limited, Managing Director, Godrej & Boyce Manufacturing Company Limited, Appliance Division, Phirosha Nagar, Vikhroli. The Complainant had approached the Godrej & Boyce Manufacturing Company Limited for a replacement of the product (refrigerator), the Company had offered to repair the product and has completed the same. However the complainant has refused to accept the repaired product. The matter is pending and the next date for hearing is December 24, 2009.
 12. Abhay Kumar Sinha has filed a consumer case bearing case no.1410/2008 before the Consumer District Redressal Forum, Patna against Godrej & Boyce Manufacturing Company Limited, Mr. Rajesh Gupta, Managing Director, Godrej & Boyce Manufacturing Company Limited, Mr. Ravi Shrivastava, Regional Sales Manager, Godrej & Boyce Manufacturing Company Limited, Mr. Rakesh Kumar Singh, Technical Engineer, Mr. Asif, Technical Engineer, Mr. Sanjay Kumar Das, Service Manager, Bharat Commercial Corporation, Mr. Pranav Kumar and Mr. Kartik Kumar. Abhay Kumar Sinha, the complainant had purchased a refrigerator in 2006 and made a complaint in March 2006. It was serviced but problems continued. The customer asked for a replacement. Since it was more than a year the company could not replace the same. The matter has been settled by giving the customer an amount of Rs. 49,000 approximately and the customer has submitted a letter to the company stating that a compromise has been arrived between him and the accused. In view of the same he does not want to pursue the case. The complainant has filed an application of withdrawal of the same. The matter is pending and the next of hearing is December 22, 2009.
 13. The Municipal Corporation has filed a criminal complaint no. 4204886/SS/2009 pertaining to a factory

- premises at Vikhroli in the Metropolitan Magistrate's 42nd Court at Shindewadi, Dadar against all the Directors of the Company. Summons was served on the Company on December 1, 2009 and subsequently were issued to the Directors in their capacity as directors of a promoter company. The next date of hearing is March 12, 2010.
14. Anisha Patel has filed a consumer complaint no. 309/2009 at District Consumer Forum, Parel on November 2, 2009 against Godrej & Boyce Manufacturing Company its Managing Director and manager alleging that they manufacture defective products (chairs). The complainant has claimed Rs 75,000. The matter is pending and is to be heard on January 24, 2010.
 15. R Prabhakar has filed a consumer case no. 835/09 at District Consumer Forum, Hyderabad against the Managing Director, Godrej & Boyce Manufacturing Company, Senior Manager (Service), Godrej & Boyce Manufacturing Company Limited and Surya Electronics, Hyderabad. The complainant has alleged that the washing machine purchased by him has been defective and has claimed compensation of Rs 36,000. The matter is pending.
 16. Mr. Viramaram has filed a consumer case no. 1036/09 at District Consumer Forum, Jodhpur against Proprietor, Raksha Electronics, Managing Director, Godrej & Boyce Manufacturing Company Limited. The complainant has alleged that the refrigerator purchased by him was defective and has claimed a compensation of Rs. 74,000 against Proprietor, Raksha Electronics and Managing Director, Godrej & Boyce Manufacturing Company Limited. The matter is pending and the next date of hearing is January 14, 2010.
 17. J Venkateswarlu has filed a consumer complaint no. 127/2009 before the District Consumer Forum, RR district court, NTR Nagar Hyderabad against Godrej & Boyce Manufacturing Company Limited represented by its Managing Director (Appliances Division). The complainant has purchased a product manufactured by the company which was found to be defective. The complainant seeks refund of the service charges paid by him of Rs. 1,461 with interest and also compensation Rs. 20,000 for causing mental agony and suffering due to negligence of the respondent.
 18. Parmindar S.Raghav has filed an execution petition no. 342/2009 before the District Consumer Dispute Redressal Forum, Gurgaon against Bharat TV Service Centre through its Proprietor and Godrej & Boyce Manufacturing Company Limited through its Managing Director for proceedings under section 27 of the Consumer Protection Act, 1986. The court has passed an order dated October 5, 2009 against the company. The next date of hearing is December 17, 2009. The Company has filed an appeal under section 15 of the Consumer Protection Act, 1986 against the order dated October 5, 2009.

Mr. Nadir B. Godrej

1. Assistant Registrar of Companies Maharashtra has filed a criminal complaint alleging violation of Section 212 (9) of the Companies Act was filed before the Additional Chief Judicial Magistrate-XIX at Esplanade, Mumbai against Mr. Nadir B. Godrej and Mr. S. K. Bhatt. The same was challenged under Section 482 of the Criminal Procedure Code before the Bombay High Court. The High Court, Bombay however directed that revision petition be filed before the Session Court. Accordingly revision petition No. 581 of 2008 has been filed before the Session Court and is pending.
2. The Enforcement Directorate, Mumbai has filed three writ petitions before the Bombay High Court, being writ petition nos. 2780 of 2004, 2781 of 2004 and 2782 of 2004 against Godrej Soaps Limited, Mr. Nadir B. Godrej and Mr. Adi B. Godrej alleging violation of Foreign Exchange Regulation Act, 1973 for failure to receive foreign exchange in relation to the imports carried out in 1977-78. The three writ petitions mentioned above were disposed off by the High Court on September 13, 2006 who remanded the matter to the Special Director (Appeals) to hear the case on merits in accordance with law. The matter is now pending with the Special Director (Appeals).
3. A case No.S.T.C.No.50 of 2009 is filed in before the Judicial Magistrate First Class, Mangalveda, bearing, by Inspector of Legal Metrology, Mangalveda, Solapur, Pune against Godrej Agrovet Limited

and its Directors including Mr. Adi.B.Godrej and Mr. Nadir B.Godrej. The said case is filed under section 51 read with 33 and (6)(1)(a) of Standards of Weights and Measures (PC) Rules. The said matter is stayed.

4. A criminal application is filed before the Additional Sub Judge, Pandharpur by Godrej Agrovet Limited and its Directors including Mr. Adi.B.Godrej and Mr. Nadir B.Godrej against Deputy Controller of Legal Metrology, Solapur, Pune. The summons has been served and report is awaited. The matter is pending.
5. A case No.Cr.No.1555 of 2008 is filed before Judicial Magistrate First Class, Guwahati in 2008 by Abani.M.Kalita against Golden Foods & Feeds Limited and its Directors including Mr. Nadir B.Godrej. The said case is filed under section 420 of the Indian Penal Code. The matter is stayed.
6. A case Cr.M.A. 208 of 2008 is filed before the Guwahati High Court, arising out of Cr.No.1555 of 2008 by Golden Foods & Feeds Limited and its Directors including Mr. Nadir B.Godrej against Abani.M.Kalita. The case is not listed and is pending final hearing.
7. A criminal writ petition No.1935/2009 is filed before the High Court, Mumbai, by Godrej & Boyce Manufacturing Company Limited along with its Directors including Mr. Adi.B.Godrej and Mr. Nadir B.Godrej against the State of Maharashtra and others. For further details please see section titled "Outstanding Litigation and Material Development – Litigation against Directors: Mr. Adi B Godrej" on page 325 of the Prospectus.
8. The Municipal Corporation has filed five criminal complaints bearing Criminal Case Nos.4204734/S/2009, 4204735/S/2009, 4204736/S/2009, 4204737/S/2009 and 4204738/S/2009 in the court of the Presidency Magistrate - 42nd Court, Dadar against all the Directors of Godrej & Boyce Manufacturing Company Limited. For detail please see section titled "Outstanding Litigation and Material Development – Litigation against Directors: Mr. Adi B Godrej" on page 325 of the Prospectus.
9. The Municipal Corporation has filed a criminal complaint no. 4204886/SS/2009 pertaining to a factory premises at Vikhroli in the Metropolitan Magistrate's 42nd Court at Shindewadi, Dadar against all the Directors of the Company in their capacity as directors of a promoter company. Summons was served on the Company on December 1, 2009 and subsequently were issued to the Directors. The next date of hearing is March 12, 2010.

Mrs. Parmeshwar A. Godrej

Nil

Mr. Milind S. Korde

1. The Company, along with its directors, Mr. Adi B. Godrej, Mr. Amit B. Choudhury and Mr. Milind S. Korde and other employees, filed a criminal writ petition (WP No. 1360 of 2006) challenging the order passed by the sessions judge dated May 5, 2006 in Criminal Revision Application No. 386 of 2006 whereby the judge refused to quash the proceedings initiated by Grentex in Criminal Case No. 388/M/2004 filed before the Metropolitan Magistrate. For further details please refer to "Litigation against the Company – Criminal Proceedings".
2. Zinnia Cooperative Housing Society filed a complaint (Complaint No. 94 of 2003) before the Magistrate under sections 11, 13 and 14 of the Maharashtra Ownership of Flats, 1963 and sections 269 and 270 of the Indian Penal Code, against the Company and the Managing Director of the Company. For further details please refer to "Litigation against the Company – Criminal Proceedings".

Mr. Amit B. Choudhury

Our Company, along with its directors, Mr. Adi B. Godrej, Mr. Amit B. Choudhury and Mr. Milind S. Korde and other employees, filed a criminal writ petition (WP No. 1360 of 2006) challenging the order passed by the sessions judge dated May 5, 2006 in Criminal Revision Application No. 386 of 2006 whereby the judge refused to quash the proceedings initiated by Grentex in Criminal Case No. 388/M/2004 filed before the Metropolitan Magistrate. For further details please refer to “Litigation against the Company – Criminal Proceedings – S. No. 1 – Grentex criminal proceedings”.

Mr. Keki B. Dadiseth

Mr. Keki B. Dadiseth is one of the persons arraigned in the SEBI’s writ petition against the Appellate Authority quashing SEBI order, pending before the High Court in the matter of Hindustan Lever Limited under the SEBI (Prohibition of Insider Trading) Regulations, 1992, and in the pending prosecution filed by SEBI, consequent to the adjudication order, which had been quashed by the Appellate Authority.

Mrs. Lalita D. Gupte

Nil

Mr. Pranay Vakil

Nil

Dr. Pritam Singh

Nil

Mr. S.Narayan

Nil

Mr. Pirojsha. A.Godrej

Nil

Litigation involving Promoters

Godrej & Boyce Manufacturing Company Limited

Litigation against the company

1. There are 317 consumer cases filed by various parties against Godrej & Boyce Manufacturing Company Limited before various consumer fora. The total amount that is the subject matter of these cases aggregates approximately to Rs. 2,06,21,998.
2. There are seven labour related cases filed by various parties against Godrej & Boyce Manufacturing Company Limited, before various courts and tribunals. The total amount that is the subject matter of these cases is approximately Rs.30,47,000.
3. There are 19 civil cases filed by various parties against Godrej & Boyce Manufacturing Company Limited before various fora. The total amount that is the subject matter of these cases aggregates approximately to Rs. 22,52,19,509.
4. There are five property cases filed by various parties against Godrej & Boyce Manufacturing Company

Limited before various fora.

5. There are two criminal cases filed by various parties against Godrej & Boyce Manufacturing Company Limited before various fora.
6. There is one insolvency case filed by Mr. Gopal Bhowmick before the District Judge Court at Alipore, Kolkata against Godrej & Boyce Manufacturing Company Limited and others. The company has received a notice to show cause as to why the insolvency application is not to be moved against them. Mr. Gopal Bhowmick was a dealer of the Godrej & Boyce Manufacturing Company Limited under Kolkata Branch operating in the name and style of "G.B. Wholesalers and G.B. Enterprises". Parallely the Company has filed a case under Section 138 of Negotiable Instruments Act, 1881 as he was not clearing the dues. Both matters are pending.
7. The details of statutory dues as at October 31, 2009 which have not been deposited with the appropriate authorities on account of dispute are given below:

Nature of Statute	Nature of Dues	Amount	Period of default
Central Excise Act, 1944	Excise Duty	1,50,654	1983 to 2009
Finance Act, 1944	Excise Duty	1,22,090	2003 to 2009
Central Sales Tax Act, 1956	Sales Tax	1,67,997	1976 to 2008
Sales Tax Acts (inclusive works contract)		69,549	1981 to 2006
Employees' Provident Funds and Miscellaneous Provision Act, 1952	Provident Fund	5,068	1996 to 1997

Litigation by the company

1. There are 46 civil cases filed by Godrej & Boyce Manufacturing Company Limited against various parties before various fora. The total amount that is the subject matter of these cases aggregates approximately to Rs.8,13,20,456.
2. There are 240 criminal cases filed by Godrej & Boyce Manufacturing Company Limited against various parties before various fora. The total amount that is the subject matter of these cases aggregates approximately to Rs.14,72,97,848.
3. There are 12 consumer cases filed by Godrej & Boyce Manufacturing Company Limited against various parties before various consumer fora. The total amount that is the subject matter of these cases aggregates approximately to Rs.4,42,000.
5. There are three property cases filed by Godrej & Boyce Manufacturing Company Limited against various parties before various fora.
6. There are eight miscellaneous cases filed by Godrej & Boyce Manufacturing Company Limited against various parties before various fora. The total amount that is the subject matter of this case aggregates approximately to Rs.9,93,000.
7. There are seven labour related cases filed by various parties against Godrej & Boyce Manufacturing Company Limited, before various courts and tribunals.

Godrej Industries Limited

1. There are 126 central excise cases pending against Godrej Industries Limited before various authorities. The total amount that is the subject matter of these cases aggregates approximately to Rs. 16.92 Crores.

2. There are 38 customs cases pending against Godrej Industries Limited before various authorities. The total amount that is the subject matter of these cases aggregates approximately to Rs. 8.21 Crores.
3. There are 63 miscellaneous cases pending against Godrej Industries Limited before various authorities. The total amount that is the subject matter of these cases aggregates approximately to Rs.7.53 Crores.
4. There are 31 criminal cases pending against Godrej Industries Limited before various authorities.
5. There are eight service tax cases pending against Godrej Industries Limited before various authorities. The total amount that is the subject matter of these cases aggregates approximately to Rs. 0.14 Crores.
6. There are seven IR cases pending against Godrej Industries Limited before various authorities. The total amount that is the subject matter of these cases aggregates approximately to Rs. 0.42 Crores.
7. There are five CMRS cases pending against Godrej Industries Limited before various authorities. The total amount that is the subject matter of these cases aggregates approximately to Rs. 0.01 Crores.
8. There are 14 income tax cases pending against Godrej Industries Limited before various authorities. The total amount that is the subject matter of these cases aggregates approximately to Rs. 524.50 Crores.
9. There is one arbitration petition filed by Godrej Industries Limited before the Bombay High Court seeking to restrain minority shareholders of Gharda Chemicals Limited from selling, transferring or dealing in any manner or creating any third party rights in the shares of Gharda Chemicals Limited held by them. The arguments in the matter have been completed and written arguments have been filed by both parties. The Bombay High Court by its order dated October 6, 2009 has confirmed an injunction order granted earlier on May 12, 2009 which restrained the minority shareholders of Gharda Chemicals Limited from selling and or creating any third party rights in shares of Gharda Chemicals Limited held by them till the constitution of an arbitral tribunal and for a period of six weeks thereafter.

Litigation involving Group Companies

A. Geometric Limited

Litigation against the company

1. There are 11 cases pending against Geometric Limited before the Assistant Commissioner of Customs and the total amount claimed is approximately Rs.2.37 Crores plus applicable interest and penalty.
2. There is one civil case filed against Geometric Limited before the High Court of Bombay. The total amount involved is Rs. 1.18 Crores.
3. There are two Income Tax cases filed against Geometric Limited before the Commissioner of Income Tax (Appeals) for claims totalling to approximately Rs. 1.14 Crores.
4. There is one consumer case filed against Geometric Limited before the Maharashtra Consumer Dispute Redressal State Commission for claims totalling to approximately Rs. 3,38,945 and applicable interest.

Litigation by the company

1. Geometric Limited has filed a criminal complaint against Mr. Shekhar Verma before the Metropolitan Magistrate, New Delhi for theft of software source code.

2. Geometric Limited has filed a criminal complaint against Digital Group Infotect Private Limited and others before the Judicial Magistrate First Class, Pune for damage, destruction and theft of fencing between Plot No.5 6 7 and 8. The matter is pending.

B. Wadala Commodities Limited

Litigation against the company

Income tax

There are 16 cases filed under the Income Tax Act, 1961 on various grounds such as advertisement expenses, non compete fees, prior period expenses, etc. The total tax impact is 135.6 Crores out of which Wadala Commodities Limited's share is 3.22% and Godrej Industries Limited's share is 96.78%.

Litigation by the company

There are nine cases filed by the company before Bhoiwada Magistrate Court under Section 138 of the Negotiable Instruments Act, against Julon Foods Private Limited for recovery Rs. 7.59 Crores from Julon Foods Private Limited

C. Godrej Consumer Products Limited

Litigation against the Company

1. There are two criminal cases pending against the employees of Godrej Consumer Products Limited before various authorities. There are no financial implications involved in this case.
2. There are six labour cases pending against Godrej Consumer Products Limited before various authorities. The total amount that is the subject matter of these cases aggregates approximately to Rs. 1.87 Crores.
3. There are 11 show cause notices relating to excise tax pending against Godrej Consumer Products Limited. The total amount that is the subject matter of these cases aggregates to approximately Rs. 156.97 Crores.
4. There are 11 cases relating to sales tax pending against Godrej Consumer Products Limited. The total amount that is the subject matter of these cases aggregates to Rs. 67.06 Crores.
5. There are three cases relating to intellectual property pending against Godrej Consumer Products Limited.
6. There are five consumer cases pending against Godrej Consumer Products Limited before various authorities. The total amount that is the subject matter of these cases aggregates to Rs. 1.22 Crores.
7. There are six miscellaneous cases pending against Godrej Consumer Products Limited before various authorities. The total amount that is the subject matter of these cases aggregates to Rs. 2.61Crores.

Litigation by the Company

1. There are seven excise cases filed by Godrej Consumer Products Limited before various authorities.
2. There are six income tax case filed by Godrej Consumer Products Limited before Commissioner of Income Tax (Appeals). There is no financial implication involved in the case.
3. There are two civil cases filed by Godrej Consumer Products Limited before various authorities.

4. There are seven negotiable instrument cases filed by Godrej Consumer Products Limited before various authorities.
5. There is one complaint filed by Godrej Consumer Products Limited before the Monopolies and Restrictive Trade Practices Commission. There is no financial implication involved in the case.
6. There is one case relating to intellectual property filed by Godrej Consumer Products Limited before the High Court, Mumbai. There is no financial implication involved in the case.
7. There are five miscellaneous cases filed by Godrej Consumer Products Limited before various authorities.

D. Godrej Hershey Limited (“GHL”)

Litigation against the company

1. There are 11 Oppositions filed against GHL challenging registration of various trade marks before various Trade Mark Registries.
2. There is an appeal pending before the Labour Court Commissioner, Mumbai against GHL filed by Mr. Thapa for reinstatement of his services. The amount involved is approximately Rs. 0.1 Crores.
3. There are three cases filed against the Company under the Prevention of Food Adulteration Act.
4. Rama Shankar Yadav, Jagdish Kumar Bansod, Santosh Parkhe, A.K. Thakare, Dhanraj Kose Jagannath Yadav, A. Purushottam, P.V. Samuel have filed a case against GHL in the Labour Court, Bhopal for their retrenchment from work under Entry 16 of Schedule to the M.P.I.R. Act, 1960

Litigation by the company

1. GHL has filed writ petition Nos. 18786 OF 2006 (S) / 18792 OF 2006 (S) / 18791 OF 2006 (S) / 18790 OF 2006 (S) / 16615 OF 2006 (S) / 18789 OF 2006 (S) / 18788 OF 2006 (S) / 18787 OF 2006 (S) in the High Court of Jabalpur for interpretation of Entry 16 of Schedule to the M.P.I.R. Act, 1960 to clarify whether the food processing industry falls within the ambit of entry “Engineering Industry” as specified in Entry 16 of Schedule to the M.P. Industrial Relations Act, 1960. Since the High Court of Jabalpur interpreted the law so as to include the food processing industry falls within the ambit of entry “Engineering Industry” as specified in Entry 16 of Schedule to the M.P. Industrial Relations Act, 1960. GHL has filed an appeal against the judgement of Jabalpur High Court in the matter in the Supreme Court of India by filing a special leave petition No. 22099-22106/2009 on August 17, 2009.
2. GHL has filed 23 oppositions for challenging registration of various trade marks before various Trade Mark Registries.
3. GHL has filed two appeals before the Commissioner of Income Tax (Appeals) for claims relating to assessment years 2004-05 and 2005-06.
4. There are 19 sales tax appeals filed by GHL, pending before the various Sales Tax Commissioners/Appellate Tribunal and sales tax authorities all over the Country. The total amount that is demanded in these cases aggregates approximately to Rs. 2.08 Crores.
5. There are 10 cases filed by GHL under section 138 of the Negotiable Instruments Act, 1881 pending before the Small Causes Court and Metropolitan Magistrate in Mumbai. The amount involved is approximately Rs. 0.25 Crores.

E. Godrej Agrovet Limited

Litigation against the company

1. There are 54 consumer cases filed by various parties against Godrej Agrovet Limited before various consumer fora. The total amount that is the subject matter of these cases aggregates approximately to Rs. 2.358 Crores.
2. There is one suit against the occupier of the factory filed by the Factory Inspector at Miraj before court of the Judicial Magistrate First Class.
3. There are two excise cases pending against Godrej Agrovet Limited before various fora. The total amount that is the subject matter of these cases aggregates approximately to Rs. 9.4 Crores.
4. There are two sales tax cases pending against Godrej Agrovet Limited before various sales tax authorities. The total amount that is demanded in these cases aggregates approximately to Rs. 5 Crores.
5. There are seven civil cases filed by various parties against Godrej Agrovet Limited before various fora. The total amount that is the subject matter of these cases aggregates approximately to Rs. 3 Crores.
6. There are five criminal cases against Goldmohur Foods and Feeds Limited (now merged with Godrej Agrovet Limited) under Indian Penal Code.
7. There is one criminal case against Godrej Agrovet Limited under the Insecticides Act, for misbranding.
8. There are five criminal cases against Godrej Agrovet Limited under Fertiliser Control Order of Essential Commodities Act.
9. There is one criminal case against Godrej Agrovet Limited under Packaged Commodities Rules.

Litigation by the company

1. There are 188 cases filed by Godrej Agrovet Limited against various parties before various fora under the Negotiable Instruments Act, 1881. The total amount that is the subject matter of these cases aggregates approximately to Rs. 9.60 Crores.
2. There are 12 civil cases filed by Godrej Agrovet Limited against various parties before various fora. The total amount that is the subject matter of these cases aggregates approximately to Rs. 7.21 Crores.
3. There is one consumer case filed by Godrej Agrovet Limited against IDBI Limited. The total amount that is the subject matter of these cases aggregates approximately to Rs. 1.4 Crores.
4. There is one property related case filed by Godrej Agrovet Limited. The total amount that is the subject matter of the case is nil.
5. There are six criminal cases filed by company against various parties under Indian Penal Code. The total amount involved aggregates approximately 0.76 Crores.

F. Golden Feed Products Limited

Litigation against the company

Nil

Litigation by the company

There are 7 cases filed by Golden Feed Products Limited against various parties before various fora for claims

arising under the Negotiable Instruments Act, 1881. The total amount that is the subject matter of these cases aggregates approximately to Rs. 0.40 Crores.

G. Godrej Infotech Limited

Litigation against the company

There is one civil case bearing suit no.260/2007 filed by Jamshed Alam against Godrej Infotech Limited before the court of Additional District Judge, Tish Hazari Court, New Delhi. The total amount is approximately to Rs.3 Crores.

Litigation by the company

Nil

H. Mercury Manufacturing Company Limited

Litigation against the company

1. There are 4 labour related cases pending against Mercury Manufacturing Company Limited before the Deputy Commissioner of Labour, Chennai and one labour related case pending before the Additional Labour Court Chennai, and all the cases were filed by a section of workmen employed by the company.

Litigation by the company

1. Mercury Manufacturing Company Limited has filed an appeal before Central Excise and Service Tax Appellate Tribunal, Chennai for a refund claim of Rs. 0.34 Crores towards excise duty on HSD oil.
2. Mercury Manufacturing Company Limited has filed a writ petition before the High Court of Madras against the Commissioner, Tambaram Municipality relating to enhancement of property tax. The total amount that is subject matter of these cases aggregates approximately to Rs. 0.26 Crores.
3. Mercury Manufacturing Company Limited has obtained interim stay at the High Court of Madras against an order of Deputy Commissioner of Labour under the Minimum Wages Act, in which the total amount of the subject matter aggregates approximately to Rs. 0.07 Crores.

I. Veromatic International BV

Litigation against the company

There is one case filed by Welltec GMBH, , Germany against Veromatic alleging bad performance of a water filter developed by the Research and Development department of Veromatic International BV for a claim of summed EURO 50,000

Litigation by the company

Veromatic International BV has filed one case against OMRON claiming a sum of EURO 106,000 for costs incurred as a result of the poor performance of a relay product produced by OMRON.

J. Godrej Gold Coin Aquafeed Limited

Litigation against the company

Nil

Litigation by the company

There is one criminal case filed by the Company under Negotiable Instruments Act, amount involved is Rs. 7,47,000

K. Godrej Tyson Foods Limited

Litigation against the company:

Rudrama, Nasratna, Renukamma and Gawaramma has filed a case against the company before City Civil Court, Haskote, Bangalore for partition of property and cancellation of sale deed made in favour of Godrej Agrovat Limited.

Litigation by the company:

There is one criminal case filed by the Company before the Metropolitan Court, Bangalore against Aditya Marketing Limited under section 138 of the Negotiable Instruments Act, 1881. The amount involved is Rs. 52,74,467.

The following table summarizes the companies that are not involved in any litigation:

S. No	Name of Company
1.	Vora Soaps Limited
2.	Godrej Efacec Automation & Robotics Limited
3.	Godrej (Malaysia) Sdn. Bhd.
4.	Godrej (Singapore) Pte Limited
5.	Godrej & Khimji (Middle East) LLC
6.	J.T. Dragon Pte. Limited
7.	Godrej (Vietnam) Company Limited
8.	Ensemble Holdings & Finance Limited
9.	Swadeshi Detergents Limited
10.	Godrej International Limited
11.	Godrej IJM Palm Oil Limited
12.	Natures Basket Limited
13.	Cauvery Palm Oil Limited
14.	Godrej Oil Palm Limited
15.	Poultry Processors' Association of India
16.	Al Rahba International Trading LLC
17.	ACI Godrej Agrovat Limited

The following table summarizes the companies that do not have any litigation against them:

S. No	Name of Company
1.	Golden Feed Products Limited
2.	Godrej Gold Coin Aquafeed Limited

The following table summarizes the companies that do not have any litigation by them:

S. No	Name of Company
1.	Godrej Infotech Limited

Contingent Liability

Contingent Liability of the Company

S. No.	Matters	As on October 31, 2009 (Rs. in Crores)
a)	Uncalled amount of Rs. 80 and Rs. 30 on 70 and 75 partly paid shares respectively of Tahir Properties Limited	*
b)	Claims against the company not acknowledged as debts represents cases filed by parties in the Consumer forum, Tribunal and High Court and disputed by the Company as advised by our advocates. In the opinion of the management the claims are not sustainable.	0.47
c)	Claims against the Company under the Labour Laws for disputed cases	0.20
d)	Guarantees given by Bank, counter guaranteed by the Company	0.60
e)	Letter of Credit issued on behalf of the Company.	0.12
f)	Claim against the Company under Bombay Stamp Act, 1958	1.49
g)	Claim against the Company under Electricity Act, 2003.	0.60
g)	Claims against the Company under the Income Tax Act, Appeal preferred to Commissioner of Income Tax (Appeals)	10.18

Contingent Liability of the Subsidiaries

There are no contingent liabilities of Subsidiaries as on October 31, 2009.

Contingent Liability of the Promoter Companies

S.No	Name of the Promoter Companies	Contingent Liability (Rs. in Crores)
1	Godrej & Boyce Manufacturing Company Limited	
	Guarantees given by the Company's Bankers against counter-guarantees given by the Company	49.76
	Guarantees given by the Company's Bankers on behalf of subsidiary/associate companies against counter-guarantees given by the Company	2.10
	Guarantees given by Export-Import Bank of India, against the security of first equitable mortgage of specified immovable properties situated at Vikhroli, Mumbai	30.50
	Excise Duty and Service Tax demands disputed by the Company:	
	(a). Show-cause Notices pending with the Commissionerate	22.3
	(b) Demand Notices pending with the Commissionerate and with the Tribunal	25.7
	Sales Tax demands pending with the Commissionerate/Tribunal and disputed by the Company	13.4
	Pending Income-tax/Wealth-tax assessments	liability not ascertained
	Claims against the Company under the Industrial Disputes Act, 1947	Amount indeterminate.
	Disputed Provident Fund liability for the period March 1996 to September 1997 arising on account of disapproval of infancy benefit	0.5
	Other Claims against the Company not acknowledged as debt	10.78
	The State of Maharashtra has filed a suit against the Company, being Suit No. 679 of 1973, in the High Court of Judicature at Bombay, claiming ownership of part of the Company's lands at Vikhroli, Mumbai. In the said Suit, which is still pending, various claims have been raised, which are undetermined and not acknowledged as debts due by the Company. According to the Company's legal advisers, the Company has a complete defence against the plaintiff in the said Suit, and the said Suit is not sustainable	Not sustainable

S.No	Name of the Promoter Companies	Contingent Liability
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		(Rs. in Crores)
1	Godrej Industries Limited	
A	For Excise cases for Valia, Vikhroli, Legal, Funds (Bank Guarantees) including Foods Div, Foods Division	12.45
B	For Sales Tax cases at Delhi, Kolkata, Chennai, Valia, Funds (Bank Guarantees) including Foods Div, Foods Division	15.27
C	For Customs –Legal, GGICL -BG, Funds (Bank Guarantees) including Foods Div, Foods Division	8.57
D	For Octroi – Legal, Foods Division	12.21
E	For Income Tax	18.59
F	For Labour – Valia, Personnel Works, Foods Division	2.12
G	Miscellaneous –Valia, Legal , Funds (Bank Guarantees) including Foods Div, Foods Division	10.28

Contingent Liability of Group Companies

S.No	Name of the Group Companies	Contingent Liability (Rs. in Crores)
1	Wadala Commodities Ltd	Nil
2	Godrej Consumer Products Ltd	
	Excise Duty	0.81
	Sales Tax	1.54
	Income Tax	17.55
	Other matters	0.07
	Excise Duty claim in respect of non payment of education cess for period October 2004 to March 2008 at Guwahati Factory	1.18
	Special Value Addition Rate	6.75
	Guarantees issued by banks	1.63
	Guarantee given by Company	212.93
3	Geometric Limited	192.40
4	Godrej Efases Automation & Robotics Ltd	Nil
5	Godrej Infotech Ltd	
	Guarantees given by the Companies Bankers against counter guarantees given by the Company and guarantees given by the Holding Company	0.22
6	Mercury Mfg Co Ltd	
	Disputed property taxes	0.26
	Settlement of Wages	0.07
	Customs duties exempted on import of material to be consumed/accounted	1.17
7	Godrej & Khimji (Middle East) LLC	Nil
8	J.T.Dragon PTE Ltd (JTD)	Nil
9	Godrej (Vietnam) Co Ltd	Nil
10	Veromatic International BV (VI)	Nil
11	Godrej (Malaysia) SND BHD (GM)	Nil
12	Godrej (Singapore) PTE LTD (GS)	Nil
13	Ensemble Holdings & Finance Ltd	Nil
14	Swadeshi Detergents Ltd	Nil
15	Vora Soaps	Nil
16	Godrej International Ltd	Nil
17	Godrej Hershey Ltd	23.49
18	Godrej Agrovat Ltd	Nil
19	Golden Feed Products Ltd	Nil
20	Godrej IJM Palm Oil Ltd	Nil

21	Godrej Gold Coin Aquafeed Limited	Nil
22	Godrej Tyson Foods Ltd	Nil
23	Cauvery Palm Oil Limited	Nil
24	Godrej Oil Palm Ltd	Nil
25	AI Rabha International Trading LLC	Nil
26	ACI Godrej Agrovet Pvt Ltd	
	There is a contingent liability of Tk. 20,192,860 to standard chartered bank in respect of outstanding letter of credit.	
27	Poultry Processors' Association Of India	Nil
28	Natures Basket Limited	Nil

Except as mentioned above, there is no material litigation, default or notices in relation to the Company, its Subsidiaries, Promoters and Group Companies.

There are no over dues to banks or financial institutions, defaults against banks or financial institutions by the Company, Group Companies and Promoters.

There are no pending litigations in respect of Group Companies with which the Promoters were associated in the past but are no longer associated.

There have been no adverse findings in relation to compliance with securities laws.

There have been past cases where penalties were imposed against the Company or its Directors.

None of the Group Companies are defunct and hence there are no litigations pending in that regard.

There are no pending proceedings initiated for economic offences against our Company or our Directors;

There are no outstanding litigations, defaults, etc. pertaining to matters likely to affect operations and finances of the issuer, including disputed tax liabilities, prosecution under any enactment in respect of Schedule XIII to the Companies Act, 1956 (1 of 1956) etc

Except as disclosed above, there are no pending litigations, defaults, non-payment of statutory dues, proceedings initiated for economic offences or civil offences (including the past cases, if found guilty), any disciplinary action taken by SEBI or stock exchanges against our Company or our Directors

There are no small scale undertaking(s) or any other creditors to whom our Company owes a sum exceeding Rs. one lakh which is outstanding more than thirty days.

Except as disclosed elsewhere in this section, there are no actions taken by SEBI or any case under securities law pending as on date or which were concluded during the past three years against the Company, its directors, its Promoters and Promoter Group companies as well as directors of the Promoter Group companies.

Material Developments

There have been no material developments, since the date of the last balance sheet otherwise than as disclosed in the section titled 'Management's Discussion and Analysis of Financial Condition and Results of Operations' on page 291 of this Prospectus.

GOVERNMENT APPROVALS

We have received the necessary consents, licenses, permissions and approvals from the Government and various governmental agencies required for our present business and except as mentioned below, and no further approvals are required for carrying on our present business. Unless otherwise stated, these approvals are all valid as of the date of this Prospectus.

Approvals for the Issue

1. In principle approval from the NSE dated November 23, 2009.
2. In principle approval from the BSE dated October 30, 2009.
3. The shareholders of our Company have, pursuant to their resolution dated September 30, 2009, authorised this Issue.
4. The Board of Directors have, pursuant to their resolution dated July 27, 2009 authorized the Issue.
5. The RBI by its letters dated January 25, 2008 and March 19, 2008 has clarified that 'FIIs may subscribe to the proposed IPO of your company under the portfolio investment scheme (PIS) in terms of Regulation 1(5) of schedule 2 to RBI Notification No. FEMA 20/2000-RB dated May 3, 2000'. However, it is provided that FII investments in any pre-IPO placement would be treated on par with FDI and will have to comply with the guidelines for such FDI in terms of lock-in period and other conditions prescribed vide Press Note 2 (2005 series) issued by Ministry of Commerce and Industry, DIPP and notified by RBI by notification no. 136/2005-RB dated July 19, 2005.

Our Company

Incorporation Details

1. Certificate of Incorporation given by the Registrar of Companies in respect of Sea Breeze Constructions and Investments Private Limited on February 8, 1985 under the Companies Act.
2. Fresh Certificate of Incorporation given by Registrar of Companies in respect of change of name to Godrej Properties and Investments Private Limited on July 16, 1990.
3. Fresh Certificate of Incorporation given by Registrar of Companies consequent to the change of name to Godrej Properties Limited on December 10, 2004 by the RoC.

Approvals to carry on our Business

A. Industrial/Labour/Tax

1. Permanent Account Number AAACG3995M
2. Tax Payers Identification Number under the Maharashtra Value Added Tax Act 2003 is 27020266493V with effect from April 1, 2006.
3. Tax Payers Identification Number under Central Sales Tax (Registration and Turnover) Rules 1957 is 27020266493C with effect from April 1, 2006.
4. Service Tax Code Number AAACG3995MST002 and Location Code SA0311 issued to the Company by the Office of the Commissioner of Service Tax, Government of Karnataka, Bangalore on August 17, 2007.
5. Allotment of Code No. STDS 5101039 under the West Bengal Value Added Tax Act 2003, to the

Company by the Office of Commissioner, Sales Tax, Government of West Bengal, Kolkata on April 23, 2007.

6. Value Added Tax Registration Certificate under Karnataka Value Added Tax Act 2003 granted to the Company with effect from April 28, 2005.
7. Tax Deduction Account Number MUMG08095D
8. Service Tax Code Number : AAACG3995MST001 and Location Code Number: SC0100

B. Building/Construction related approvals/ NOCs

SPECIAL ECONOMIC ZONE RELATED APPROVALS

Godrej Genesis, Hyderabad

Applications Made

1. Application has been made to the SEZ Section, Department of Commerce, Ministry of Commerce and Industry, Government of India for setting up Special Economic Zone for IT/ITES Sector at Patancheru village and Mandal Sanga Reddy Taluk, Medak District, Andhra Pradesh dated December 12, 2007.
2. Application to the Chief Secretary, Government of Andhra Pradesh dated December 5, 2007 for approval to set up a Sector Specific Economic Zone for Information Technology and IT Enabled Services at Patancheru to Godrej Real Estate Private Limited.
3. Application to the Principal Secretary, IT and C Department, Government of Andhra Pradesh dated December 5, 2007 for approval to set up a Sector Specific Economic Zone for Information Technology and IT Enabled Services at Patancheru to Godrej Real Estate Private Limited.
4. Letter of Approval from the Director, Special Economic Zone Section, Department of Commerce, Ministry of Commerce and Industry, Government of India for setting up a Sector Specific Economic Zone for Information Technology and IT Enabled Services at Patancheru to Godrej Real Estate Private Limited dated September 3, 2008.
5. Application made in February, 2009 to the Principal Secretary, M.A and U.D. Department for conversion of land from I.T. Zone to Mixed Use. However, by an order from the Principal Secretary, M.A. and U.D. Department dated August 29, 2009, this application was rejected.

PROJECT-SPECIFIC APPROVALS

Described below are the approvals obtained and applied for in respect of our ongoing projects.

Godrej Eternia C,

1. Commencement certificate No.CC/4630/06 dated March 28, 2007, Plot No. 64/A-1,64/B,64/B-1,64/B-2 for Godrej Eternia “C ” issued by Building Permission Department Pune Municipal Corporation Pune.

Godrej GVD, Kalyan

1. Building Permission from Kalyan Dombivilli Municipal Corporation No. KDMC/NRV/BP/KV/605-262 issued on March 17, 2005 for building permission for full work of GVD I and II, expiring on November 26, 2011.

2. Completion Certificate to Building GVD-I Type A and Type B from Kalyan Dombivilli Municipal Corporation No. KDMC/NRV/CC/KV/496 for GVD-I: Building A and B issued on November 1, 2006.
3. Order under Section 20 Urban Land Ceiling and Regulation Act 1976 from Deputy Collector and Competent Authority, Ulhasnagar Urban Agglomeration, Thane No. ULC/ULN/Sec (20)(N)/SR-149 issued on April 17, 2006 for economically weaker section of society is being implemented, expiring on April 16, 2009 for GVD I and II.
4. Permission for Non Agricultural Use from the Collector, Thane 2004 No. Mahasul/K-1/T-7/NP/SR-155/98 issued on June 25, 2004.
5. Completion Certificate to GVD-II Building Type-C and Type-D from Kalyan Dombivilli Municipal Corporation vide No. KDMC/NRV/CC/KV/251 issued on July 22, 2009.

Godrej Riverside, Kalyan

1. Intimation of Disapproval from Kalyan Dombivali Municipal Corporation No. KDMC/NRV/BP/KV/75-24 for all buildings issued on May 20, 2005 for a period of four years, expiring on May 19, 2009. This approval has been upgraded to a commencement certificate No. KDMC/NRV/BP/KV/854-359.
2. Pursuant to satisfying the conditions stipulated in the Intimation of Disapproval No. KDMC/NRV/BP/KV/75-24, the Company has been given the commencement certificate from Kalyan Dombivali Municipal Corporation No. KDMC/NRV/BP/KV/854-359 issued on March 30, 2007 for a period of four years, expiring on March 29, 2011.
3. Permission for non agricultural use from The Collector, Thane No. Mahasul/K-1/T-7/NP/SR-84/2005 issued on June 13, 2006.
4. Amended Approval No. KDMC/NRV/BP/KV/616-304 from the Kalyan Dombivali Municipal Corporation issued on February 12, 2008 for 13th to 15th Floors.
5. Plinth Completion Certificate for Building Type A2 vide no. KDMC/NRV/ 771 from the Kalyan Dombivali Municipal Corporation issued on May 20, 2008.
6. Plinth Completion Certificate for Building Type A1 vide no. KDMC/NRV/3257 from the Kalyan Dombivali Municipal Corporation issued on October 13, 2008.

Godrej Edenwoods Phase III, Thane

Podium Row Apartment and Pine

1. Building permission No. TMC/TDD/63 for Podium-Row Apartment from Thane Municipal Corporation issued on April 29, 2008.
2. Building permission No. TMC/TDD/64 for Pine from Thane Municipal Corporation issued on April 29, 2008.
3. Commencement Certificate No. TMC/TDD/87/V.P.No.10662 issued on May 13, 2009 by Thane Municipal Corporation for Row Apartments.
4. Amended building permission No. TMC/TDD/267 for Pine from Thane Municipal Corporation issued on July 25, 2008.
5. Amended building permission No. TMC/TDD/75 for Row Apartment from Thane Municipal Corporation issued on May 13, 2009.

6. Plinth Completion and Commencement Certificate above plinth vide no. TMC/TDD/798 for Pine from Thane Municipal Corporation issued on March 4, 2009.
7. Plinth Completion and Commencement Certificate above plinth vide no. TMC/TDD/201 for Row Apartment from Thane Municipal Corporation issued on July 3, 2009.
8. Occupancy Certificate No. 275 from Thane Municipal Corporation in letter bearing No. VP No. 10662/A TMC/TDD 433 dated October 30, 2009 for Maternity Home (Gr.+1) and Pine Building (1st to 4th floor).

Planet Godrej, Mumbai

1. Amended approval from Municipal Corporation of Greater Mumbai No. EEBPC/9526/E/A issued on April 30, 2007 and renewal on April 11, 2008.
2. Commencement certificate from Municipal Corporation of Greater Mumbai as further endorsement on the first commencement certificate dated September 17, 2003 issued on May 3, 2007 as per amended approval dated April 30, 2007 and renewed on August 23, 2008.
3. Extension to the Commencement Certificate No. EEBPC9526/E/A dated September 17, 2003 for 36th to 46th floor for Wing E from the Municipal Corporation of Greater Mumbai which is endorsed on March 14, 2008 as per the amended approval dated April 30, 2007.
4. Revalidation of the Intimation of Disapproval No. EB/9526/E/A and Commencement Certificate No. EB/9526/E/A by Municipal Corporation of Greater Noida issued on May 19, 2003 for the period ending September 16, 2008 through their letter No. EB/9526/E/A issued on February 25, 2008.
5. Order under Section 22 of the Urban Land Ceiling and Regulation Act 1976 from Additional Collector and Competent Authority, Greater Mumbai for Redevelopment of property No. C/ULC/D-III/22/6788 issued on September 17, 2001 expiring on September 16, 2006. The order was further revalidated on September 28, 2006 expiring on September 16, 2008.
6. Lay out approval from the Municipal Corporation of Greater Mumbai issued on April 30, 2007. Further revalidation as per Revalidation of the Intimation of Disapproval No. EB/9526/E/A and Commencement Certificate No. EB/9526/E/A by Municipal Corporation of Greater Noida issued on May 19, 2003 for the period ending September 16, 2008 through their letter No. EB/9526/E/A issued on February 25, 2008.
7. No objection certificate from Textile Department, Government of Maharashtra for the scheme of modernisation No. SIMPLEX 2001/CR-164/TEX 3 issued on November 14, 2002.
8. No objection certificate issued by Collector of Mumbai for the development of the lease hold portion of land for Tower 4 and 5 No. CSLR/MS-02/LND-2598/CTC/BYCULLA/06/3006 issued on April 26, 2006.
9. Approval from Highrises Committee by Chief Engineer (DP) Member Secretary, Technical Committee for Tower 4 and 5 No. Ch E/HRB-38/DPC/GEN issued on August 14, 2006.
10. Environmental clearance from Maharashtra Pollution Control Board (MPCB) No. MPCB/MS/5569 issued on September 27, 2005.
11. Occupation Certificate for Tower 1 and 2 vide No. EEBPC/9526/E by the Municipal Corporation of Greater Mumbai issued on January 18, 2008.

12. Occupation Certificate for Tower 3 and 4 vide No. EEBPC/9526/E by the Municipal Corporation of Greater Mumbai issued on April 13, 2009.

Godrej Coliseum Phase III (Kurla (East), Mumbai)

1. Amended Approval from Municipal Corporation of Greater Mumbai No. CE/3508/BPES/AL issued on February 21, 2009.
2. Commencement Certificate No. CF/3508/BPES/AL from Municipal Corporation of Greater Mumbai issued on September 2, 1996 and further endorsed on February 2, 2009 for Wing B as per approved plan issued on February 24, 2009.
3. No Objection Certificate issued by Airport Authority of India vide letter No.BT-1/NOCC/CS/252-K/97.100 for Height of 56.27m issued on May 28, 2009.

Godrej Woodsman Estate-I, Bangalore

1. Commencement certificate from Bangalore Development Authority No.BNS/TV/S.A1/02/2006-07 issued on October 18, 2006.
2. Building license from Bangalore Mahanagar Palika (BBMP) No. LP/01/2006-2007 issued on October 13, 2006.
3. Commencement certificates from Bangalore Development Authority (BDA) No.PS/EM/EO-11/NORTH/10/06-07 issued on July 17, 2006 and No. BDA/EO-II/TA-1/CC/T-577/2006-2007 dated December 28, 2006.
4. Plan approval from Bangalore Development Authority (BDA) No.NM/AS/AA2/0/10/06-07 issued on July 17, 2006
5. Work order from Bangalore Development Authority (BDA) No.BDA/NOCN(P)SV/GH-02/3128/2005-06 issued on December 15, 2005.
6. Land use conversion from industrial to residential use from the Government of Karnataka No. 338 BOAS 2004 issued on January 5, 2005.
7. No objection certificate from Bangalore Water Supply and Sewage Board No. BWSSB/CE(M)/ACE(M)-1/TA-8/112/2005-06 issued on April 5, 2005.
8. No objection certificate from the Airport Authority of India No. AA1/M/0-23/NOC for 58.9 metres issued on May 3, 2007.
9. Consent for Establishment from Karnataka State Pollution Control Board SPCB No. CFE-EIA/GWE-ABI/EIA-394/2006-07/71 under Water (Prevention and Control Act) 1974 and Air (Prevention and Control Act) Act 1981 to construct residential apartments and commercial building issued on May 30, 2006 and Consent No. CFE-EIA/GWE-ABI/EIA-394/2006-07/942 issued on June 20, 2006.
10. No objection certificate from Bangalore Electricity Supply Company (BESCOM) No. CGM/BMAZ/DGM(T)/AGM(T)-2/F-249, 19846-49 issued on March 29, 2005.
11. No objection certificate from Bharat Sanchar Nigam Limited (BSNL) No. DE(S)-6/I/2006-07/116 issued on August 29, 2006 for 59 meters.
12. No objection certificate from Department of Fire Services No. GBC(1)114/2005 issued on June 16, 2005.

13. No objection certificate from Ministry of Environment and Forest, Government of India, New Delhi No.21-280/2006-IA-III issued on October 27, 2006.
14. No objection certificate from Forest Department No. 9 TREE JL/05/06 issued on January 20, 2006.
15. No objection Certificate from Ministry of Defence (Wg Cdr) No. Air HQ/S 17726/4/ATS (PC-CCIII) / Dy No. 291/F/2008/D (Air II) issued on June 25, 2008.
16. Additional water supply sanction letter No. BWSSB/CE(M)/ACE(M)-1/TA-9 / 2647/2008-09 issued on July 14, 2008.
17. Revised no objection Certificate from Karnataka State Fire and Emergency Services No. GBC(1) 114/2005 issued on January 16, 2009.
18. Sanction letter no. No. BESCO(N)/SPV-2/3041-42 from Bangalore Electricity Supply Company issued on June 18, 2007.
19. Approval from Chief Electrical Inspector to Government of Karnataka vide letter No. CEIG/DEI-2/BE-225 /1699-703 issued on April 16, 2009 for Tower 1, 2 and 7.
20. Lift Approvals from Chief Electrical Inspector to Government of Karnataka vide letter No. CEIG 669 MLS:08-09 2018-22 / 13634-38/5/08-09 issued on April 20, 2009 for Tower 7 B wing (2 units), Tower 1 A wing (2 units) and Club House.
21. Lift Approvals from Chief Electrical Inspector to Government of Karnataka letter No. CEIG 59 MLS : 09-10 3100-04 / 14179-86/8/09-10 issued on April 29, 2009 for Tower 7 A wing (2 units), Tower 1 B wing (2 units) and Tower 2 A and B(2 units).
22. Approval vide letter No. GBC(1)114/2005 from Karnataka State Fire and Emergency Services for Tower 1,2 and 7 issued on July 6, 2009.
23. Consent for discharge of sewage under the Water Act 1974 from Karnataka State Pollution Control Board No. CFE-EIA/GWE-ABL/EIA-394//2009-10/H 818 issued on August 1, 2009.
24. Power Sanction letter from Bangalore Electricity Supply Company (BESCO) No. BESCO(N)/SPV-2/3041-42 issued on June 18, 2007.

Godrej Genesis, Kolkata

1. No objection certificate by West Bengal Pollution Control Board granting consent to establish IT Park in EP GP 11, Block 9,10,13 and 14, Salt Lake Sector V, No. 894-2N-145/2006(E), Certificate no. 28928 issued on December 7, 2006.
2. Provisional Fire NOC No. WBFES/8157/08/Bidhan0.B/20/05(25/05) issued by the West Bengal Fire and Emergency Services, Government of West Bengal on February 27, 2008 based on revised plan for proposed construction of B+G+Mezz+XVIII Storied under Group E-1, Business Building at Premises No. XI-9,10,13 and 14 Block EP & GP, Salk Lake, Kolkata.
3. Sanction plan and grant of permission vide letter no. 824/NDITA/W-5/06 to execute the work at plot no. XI-9,10,13 and 14. from Nabadiganta Industrial Township Authority on December 24, 2008.

Application Made

1. Application made by Simoco Telecommunications (South Asia) Limited to the West Bengal Electronics Industry Development Corporation Limited on June 19, 2007 for transfer of land/built up spaces in favour of prospective IT/ITES company on payment of relevant fee.
2. Revised height clearance submitted to Airport Authority of India from 75 m to 82 m dated April 7, 2008 for the construction of additional floors.

Godrej Waterside, Kolkata

1. No objection certificate by West Bengal Pollution Control Board granting consent to establish IT Park in DP 5, Sector V, Salt lake, Kolkata, No. 896-2N-04/2006(E), Certificate No. 28929 issued on December 7, 2006.
2. Provisional certificate of no objection granted by the Office of the Director General, West Bengal Fire and Emergency Services, WBFES/1316/06/Bidhan-IT/313/04(365/04), issued on March 7, 2006.
3. Sanction of building plan from Bidhan Nagar Municipality, Salt Lake of double basement, ground and eighteen storied tower and another eleven storied tower, no.2164/Bm(P) issued on October 13, 2007.
4. Sanction vide letter No. C/BC/PRGN/G/1388A for power supply from West Bengal State Electricity Distribution Corporation Limited on March 25, 2009.
5. Letter No. WBFES/9325/09/Bidhan-IT/313/04(365/04) granting clearance for installation of DG set at lower basement from West Bengal FES dated January 20, 2009.
6. Partial no objection certificate vide letter no.WBFES/5150/09/Bidhan-IT/313/04(365/04) for occupancy of Phase-I(LB+UB+G+XI) storied office building received from West Bengal Fire and Emergency Services dated March 12, 2009.

Application Made

1. Application made by letter no. IIPL/NDITA/2009-10 dated April 30, 2009 on behalf of Infinity to Nabadiganta Industrial Township Authority for completion certificate for Phase-I.

Godrej Gold County, Bangalore

1. District Commissioner Approval for conversion of land from agricultural to residential No. ALN(N)S-R 365/04-05 issued on September 23, 2005.
2. Bangalore Development Authority layout approval No. BDA/NAYOSA/P1-10/595/2006-07 issued on September 6, 2006.
3. Bangalore Development Authority work order approval of drawing and construction No. BOAP/NOS/P1-40/05-06/996/2007-08 issued on June 5, 2007.
4. No objection certificate from Karnataka State Pollution Control Board No. KSPCB/RO-BNG(N)/DEO/AEO-2/LAYOUT/INR-149896/2005-06/8637 issued on February 23, 2006. The no objection certificate issued was valid for a period of two years and has expired as on February 23, 2008. The Company is in the process of applying for renewal of the no objection certificate.
5. No objection certificate from the Bangalore Electricity Supply Company (BESCOM) No. BESCOM/AEE(O)/JE2/05-06/10162 for proposed residential lay out at Bangalore, issued on December 12, 2005.
6. Plan Sanction Letter from Bangalore Development Authority No. KPA/P/P/20/08-09 issued on February 5, 2009.

7. Release of 60% Residential sites from approved plan from Bangalore Development Authority No. BDA/NOC/PL-40/2005 / 2007-08.

Godrej Prakriti, B.T. Road, Kolkata

1. Mutation Certificate No.AI/3156 in respect of Ward 14, Holding no: 187F/1, B.T. Road issued by Panihati Municipality on March 11, 2008 to Happy Highrises Limited.
2. Height clearance certificate No. G/MWC/1-150/T.B./2007-08/21/Vol. III dated April 26, 2008 issued by Bharat Sanchar Nigam Limited for a height of 95.6 metres above ground level to Happy Highrises Limited.
3. Mutation certificate from BL and LRO obtained through mutation case No. M-1226/2008 and memo no. M-1/295/BLRO/BKP-II/Sodepur dated May 27, 2008 for Mouza Sukchar.
4. Parcha from BL & LRO dated May 13, 2008 for Mouza Rambhadrabati.
5. Certificate of conversion in case no. 365/2008 and memo No. conv(c) – 500&501/08/2498/L&LR(N) of Mouza Rambhadrabati.
6. Certificate of conversion in case no. 401/2008 and memo No. conv(c) – 500&501/08/2499/L&LR(N) of Mouza Sukchar.
7. Agreement dated September 2, 2009 with the Executive Engineer, Northern Suburban Division for construction of access road with necessary provisions for drainage, signage and markings to the property of Happy Highrises Limited.
8. Height Clearance from Bharat Sanchar Nigam Limited for construction upto a height of 95.6 M on April 26, 2008.
9. Approval bearing No.528 approving ground plus 4 storied building plan by Panihati Municipality dated October 27, 2009.

Godrej Genesis, Pune

Approval No. 304/Mulshi/SSP/1496 from Assistant Director, Town Planning Authority, Pune issued on June 30, 2004.

Godrej Eternia, Chandigarh

1. Certificate for Conversion of Land Use No. CHB/CEO/LandUse/2007 of Industrial Site No. 70, Industrial Area, Phase I, Chandigarh into Commercial activity/Services from the Chandigarh Housing Board issued on November 14, 2007 under the “Chandigarh Conversion of Land Use of Industrial Site into Commercial Activity/Services in Industrial Area, Phase-I/Phase-II Chandigarh Scheme-2005”.
2. Approval of building plan on July 31, 2009 vide UT Administration Letter No- 868208/SDO(B)Z-II/IND-70 dated August 31, 2009.
3. Consent to establish obtained on September 1, 2009 from Chandigarh Pollution Control Committee vide their letter CPCC/RLM/0899/09/1511/58 dated September 1, 2009.
4. Environmental clearance vide letter No. 21-360/2008-IA.III from the Ministry of Environment and Forest dated February 26, 2009 for construction of commercial complex at plot no. 70, Chandigarh Industrial Area, Phase- I, Chandigarh.

Godrej Avalon - Mangalore

1. Certificate for conversion of land use from agricultural to industrial by Mangalore Urban Development Authority Order Ref. No. MUDA/NOC/VP/896/2006-07 issued on October 18, 2006.
2. Conversion of land use from industrial to partly Residential and partly Commercial by Mangalore Urban Development Authority Order Ref. No. MUDA/NOC/BB/896/2008-09 issued on January 7, 2009.
3. No Objection Certificate No. M.V./CR(B.K) 835 / 2008 – 09 / H-6 from Mangalore City Corporation for water supply issued on March 18, 2009.
4. Consent for establishment from Karnataka State Pollution control Board vide letter No. PCB/73/CNP/09/57 issued on April 21, 2009.
5. No Objection Certificate No. AAI/SR/NOC/RHQ from Airport Authority of India issued on March 26, 2009.
6. No Objection Certificate No. CEE-MZ/EEE(O)/AEE-3/08-09/0824-27 from Mangalore Electricity Supply Company issued on January 22, 2009.
7. No Objection Certificate No. DE/MWS/BG/S-11/07-08/ I /42 from Bharat Sanchar Nigam Limited issued on September 12, 2008.
8. No Objection Certificate No. GBC (1) 88 /2009 from Karnataka Fire and Emergency Services issued on September 11, 2009.
9. Environmental Clearance No. SEIAA: 254 : CON:2008 from State Level Environment Impact Assessment Authority, issued on August 14, 2009.

Godrej Tumkur Road – II, Bangalore

1. Conversion of Land Use from agricultural to commercial by order No. B.DS: ALN:SRD (N)177:92-93 dated March 2, 1994 issued by Special District Commissioner, Bangalore District, Bangalore.

Godrej Woodsman Estate Annexe -Bangalore

1. Conversion of land use from agricultural to commercial use by order No A.L.N(N.K)S.L-02/08-09 issued on July 25, 2008 from Deputy Commissioner Office.

Godrej Garden City- Ahmedabad

1. Approval to start Construction of Nursery Landscape, Roads Network etc from CEO, AUDA, Ahmedabad dated August 29, 2009.
2. Grant of final Plot for Godrej Garden City from Senior Town Planner, AUDA, dated June 4, 2009.
3. Approval received from chief fire officer on October 15, 2009 of the building plans.

Applications made

1. Application made for Township Approval dated January 27, 2009 to Municipal Commissioner, Ahmedabad.
2. Approval to start Construction of Nursery, Landscape, Roads Network etc from Municipal Commissioner, AMC, Ahmedabad dated August 29, 2009.

3. Grant of final Plot for Godrej Garden City from Senior Town Planner, AUDA, dated June 4, 2009.
4. Approval for Greening of Median on S.G. Highway for Beautification from Executive Engineer, National Highway Division dated June 11, 2009.
5. Application for building approvals for Phase 1 made on August 20, 2009 to Municipal Commissioner, AMC, Ahmedabad.
6. Application for a break in the median on S.G. Highway made on September 29, 2009 to the Deputy Executive Engineer, (Roads), AUDA.
7. Application made on September 5, 2009 for Environmental Clearance for Proposed Township from The Member Secretary, Gandhinagar, Gujarat.
8. Application made on April 1, 2009 for Traffic Circle/Break in the median on the S.G. Highway to CEO, AUDA, Ahmedabad.
9. Application for the Construction of Approach Road made in April 1, 2009 to CEO, AUDA, Ahmedabad.
10. Application made on April 10, 2009 approval from Electrical Power Supply from Chief Engineer, Uttar Gujarat Vij Company Limited, Mehsana.
11. Application made to Airport Director October 27, 2009 for No Objection Certificate for construction of building in the vicinity of the aerodrome.

Intellectual Property Related Approvals

Nil

Tax related Approvals

Nil

OTHER REGULATORY AND STATUTORY DISCLOSURES

Authority for the Issue

The issue of Equity Shares in the Issue by the Company has been authorized by the resolution of the Board of Directors passed at their meeting held on July 27, 2009, subject to the approval of shareholders through a special resolution to be passed pursuant to section 81 (1A) of the Companies Act.

The shareholders have authorised the Issue by a special resolution in accordance with Section 81(1A) of the Companies Act, passed at the Extra-Ordinary General Meeting of the Company held on September 30, 2009, at Mumbai.

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

Prohibition by SEBI

The Company, Promoters, Directors, Promoter Group entities and Group Companies and natural persons behind the Promoters which are body corporates, have not been prohibited from accessing or operating in capital markets under any order or direction passed by SEBI.

The companies, with which Promoter, Directors or persons in control of the Company are associated as promoters, 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 the Directors are associated with any entities, which are engaged in securities market related business and are registered with SEBI for the same.

Prohibition by RBI

Neither the Company, Promoters and Group Companies have been identified as wilful defaulters by the RBI or any other governmental authority. There are no violations of securities laws committed by them in the past or are pending against them.

Eligibility for the Issue

The Company is eligible for the Issue in accordance with Regulation 26(1) of the SEBI Regulations as explained under the eligibility criteria calculated in accordance with financial statements under Indian GAAP:

- The Company has net tangible assets of at least Rs. 3 Crores in each of the preceding three full years (of 12 months each), of which not more than 50% are held in monetary assets;
- The 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;
- The Company has a net worth of at least Rs. 1 Crores in each of the three preceding full years (of 12 months each); and
- 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 the Company ; and

- The Company has not changed its name in the last fiscal year.

The Company's net profit, dividend, net worth, net tangible assets and monetary assets derived from the Auditor's Report included in this Prospectus as at, and for the last five years ended Fiscal 2009 are set forth below:

(Rs. in Crores)

Particulars	Fiscal 2009	Fiscal 2008	Fiscal 2007	Fiscal 2006	Fiscal 2005
Distributable Profits ⁽¹⁾	92.72	72.98	36.46	18.45	10.54
Net Worth ⁽²⁾	298.15	241.14	45.02	46.59	41.53
Net Tangible assets ⁽³⁾	297.66	240.76	44.65	46.30	41.30
Monetary assets ⁽⁴⁾	14.73	6.40	13.37	14.99	4.18
Monetary assets as a percentage of the net tangible assets	4.95	2.66	29.94	32.38	10.12

⁽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 the 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%, we 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 the 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 following conditions as required by Rule 19(2)(b) SCRR:

- A minimum 20,00,000 Equity Shares (excluding reservations, firm Allotments and promoters contribution) are offered to the public;
- The Issue size, which is the Issue Price multiplied by the number of Equity Shares offered to the public, is a minimum of Rs. 100 Crores; and
- The Issue is made through the Book Building method with 60% of the Issue size allocated to QIBs as specified by SEBI

DISCLAIMER CLAUSE OF SEBI

AS REQUIRED, A COPY OF THE DRAFT RED HERRING PROSPECTUS HAS BEEN SUBMITTED TO SEBI. IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF THE DRAFT RED HERRING PROSPECTUS TO SEBI SHOULD NOT, IN ANY WAY, BE DEEMED OR CONSTRUED 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 GLOBAL CO-ORDINATORS AND BOOK RUNNING LEAD MANAGERS AND THE BOOK RUNNING LEAD MANAGERS HAVE CERTIFIED THAT THE DISCLOSURES MADE IN THE DRAFT RED HERRING PROSPECTUS ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH SEBI (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 IN FORCE FOR THE TIME BEING. 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 GLOBAL CO-

ORDINATORS AND BOOK RUNNING LEAD MANAGERS AND 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 GLOBAL CO-ORDINATORS AND BOOK RUNNING LEAD MANAGERS AND THE BOOK RUNNING LEAD MANAGERS, HAVE FURNISHED TO SEBI, A DUE DILIGENCE CERTIFICATE DATED OCTOBER 22, 2009 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 ISSUER, 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 ISSUER, WE CONFIRM THAT:**
 - (A) THE DRAFT RED HERRING PROSPECTUS FILED WITH THE BOARD 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 BOARD, 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 BOARD AND THAT TILL DATE SUCH REGISTRATION IS VALID.**
- 4. WE HAVE SATISFIED OURSELVES ABOUT THE CAPABILITY OF THE UNDERWRITERS TO FULFIL THEIR UNDERWRITING COMMITMENTS.**
- 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 BOARD 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/DRAFT 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 ISSUER ALONG WITH THE PROCEEDS OF THE PUBLIC ISSUE. NOT APPLICABLE.
8. WE CERTIFY THAT THE PROPOSED ACTIVITIES OF THE ISSUER FOR WHICH THE FUNDS ARE BEING RAISED IN THE PRESENT ISSUE FALL WITHIN THE 'MAIN OBJECTS' LISTED IN THE OBJECT CLAUSE OF THE MEMORANDUM OF ASSOCIATION OR OTHER CHARTER OF THE ISSUER AND THAT THE ACTIVITIES WHICH HAVE BEEN CARRIED OUT UNTIL NOW ARE VALID IN TERMS OF THE OBJECT CLAUSE OF ITS MEMORANDUM OF ASSOCIATION.
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 PROSPECTUS. WE FURTHER CONFIRM THAT THE AGREEMENT ENTERED INTO BETWEEN THE BANKERS TO THE ISSUE AND THE ISSUER SPECIFICALLY CONTAINS THIS CONDITION. NOTED FOR COMPLIANCE.
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 ISSUER THAT AT ANY GIVEN TIME, THERE SHALL BE ONLY ONE DENOMINATION FOR THE EQUITY SHARES OF THE ISSUER AND

- (B) **AN UNDERTAKING FROM THE ISSUER THAT IT SHALL COMPLY WITH SUCH DISCLOSURE AND ACCOUNTING NORMS SPECIFIED BY THE BOARD FROM TIME TO TIME.**
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 ISSUER, 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 Prospectus does not, however, absolve the Company from any liabilities under Section 63 or Section 68 of the Companies Act or from the requirement of obtaining such statutory and/or other clearances as may be required for the purpose of the proposed Issue. SEBI further reserves the right to take up at any point of time, with the Global Co-ordinators and Book Running Lead Managers and the Book Running Lead Managers, 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 Prospectus with the Registrar of Companies, Maharashtra 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, Maharashtra in terms of Sections 56, 60 and 60B of the Companies Act.

Caution - Disclaimer from the Company, the GCBRLMs and the BRLMs

The Company, the Directors, the GCBRLMs and the BRLMs accept no responsibility for statements made otherwise than in this Prospectus or in the advertisements or any other material issued by or at the Company's instance and anyone placing reliance on any other source of information, including the Company's web site www.godrejproperties.com, would be doing so at his or her own risk.

The GCBRLMs and the BRLMs accept no responsibility, save to the limited extent as provided in the MoU entered into between the GCBRLMs, the BRLMs and the Company and the Underwriting Agreement to be entered into between the Underwriter and the Company.

All information shall be made available by the Company, the GCBRLMs and the BRLMs to the public and investors at large and no selective or additional information would be available for a section of the investors in any manner whatsoever including at road show presentations, in research or sales reports, at bidding centres or elsewhere.

Neither the Company nor the Syndicate is liable for any failure in downloading the Bids due to faults in any software/hardware system or otherwise.

Investors that bid in the Issue will be required to confirm and will be deemed to have represented to the Company, the Underwriter and their respective directors, officers, agents, affiliates, and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares

of the Company and will not Issue, sell, pledge, or transfer the Equity Shares of the Company to any person who is not eligible under any applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares of the Company. The Company, the Underwriter and their respective directors, officers, agents, affiliates, and representatives accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire Equity Shares of the Company.

Disclaimer in respect of Jurisdiction

This Issue is being made in India to persons resident in India (including Indian nationals resident in India who are not minors, HUFs, companies, corporate bodies and societies registered under the applicable laws in India and authorised to invest in shares, Indian Mutual Funds registered with SEBI, Indian financial institutions, commercial banks, regional rural banks, co-operative banks (subject to RBI permission), or trusts under applicable trust law and who are authorised under their constitution to hold and invest in shares, permitted insurance companies and pension funds) and to FIIs, eligible NRIs. This 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 Prospectus comes is required to inform himself or herself about, and to observe, any such restrictions. Any dispute arising out of this Issue will be subject to the jurisdiction of appropriate court(s) in Mumbai 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 the Draft Red Herring Prospectus has been filed with SEBI for its observations and SEBI has pursuant to its letter No. CFD/DIL/ISSUES/PB/PN/184613/2009 dated November 23, 2009 given its observations. Accordingly, the Equity Shares represented thereby may not be offered or sold, directly or indirectly, and this Prospectus may not be distributed, in any jurisdiction, except in accordance with the legal requirements applicable in such jurisdiction. Neither the delivery of this Prospectus nor any sale hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the Company since the date hereof or that the information contained herein is correct as of any time subsequent to this date.

The Equity Shares have not been and will not be registered under the 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 BSE

BSE has given vide its letter dated October 30, 2009, permission to us to use BSE’s name in the Prospectus as one of the stock exchanges on which the Company’s securities are proposed to be listed. BSE has scrutinised the Draft Red Herring Prospectus for its limited internal purpose of deciding on the matter of granting the aforesaid permission to the Company. BSE does not in any manner:

- warrant, certify or endorse the correctness or completeness of any of the contents of the Draft Red Herring Prospectus; or
- warrant that the Company’s securities will be listed or will continue to be listed on BSE; or
- take any responsibility for the financial or other soundness of the Company, its promoters, its management or any scheme or project of the Company;

and it should not for any reason be deemed or construed to mean that the Draft Red Herring Prospectus has been cleared or approved by BSE. Every Person who desires to apply for or otherwise acquires any securities of the Company may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against BSE whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription/ acquisition whether by reason of anything stated or omitted to be stated herein or for any other reason whatsoever.

Disclaimer Clause of the NSE

As required, a copy of the Draft Red Herring Prospectus has been submitted to NSE. NSE has given vide its letter ref.: NSE/LIST/123806-C dated November 23, 2009, permission to the Company to use NSE's name in the Prospectus as one of the stock exchanges on which the Company's securities are proposed to be listed. The NSE has scrutinised the Draft Red Herring Prospectus for its limited internal purpose of deciding on the matter of granting the aforesaid permission to the Company. It is to be distinctly understood that the aforesaid permission given by NSE should not in any way be deemed or construed that the Draft Red Herring Prospectus has been cleared or approved by NSE; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of the Draft Red Herring Prospectus; nor does it warrant that the Company's securities will be listed or will continue to be listed on the NSE; nor does it take any responsibility for the financial or other soundness of the Company, its promoters, its management or any scheme or project of the Company.

Every Person who desires to apply for or otherwise acquires any of the Company's securities may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the NSE whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription/ acquisition whether by reason of anything stated or omitted to be stated herein or any other reason whatsoever.

Filing

A copy of the Red Herring Prospectus has been filed with SEBI at Corporation Finance Department, Plot No.C4-A,'G' Block, Bandra Kurla Complex, Bandra (East), Mumbai 400 051.

A copy of the Red Herring Prospectus, along with the documents required to be filed under Section 60B of the Companies Act, has been delivered for registration to the ROC and a copy of this 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, Everest 5th Floor, 100, Marine Drive, Mumbai 400 002.

Listing

Applications will be made to the BSE and NSE for permission to deal in and for an official quotation of the Equity Shares. The BSE 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, the Company will forthwith repay, without interest, all moneys received from the applicants in pursuance of this Prospectus. If such money is not repaid within 8 days after the Company becomes liable to repay it, i.e. from the date of refusal or within 7 days from the Bid/Issue Closing Date, whichever is earlier, then the Company and every Director of the Company who is an officer in default shall, on and from such expiry of 8 days, be liable to repay the money, with interest at the rate of 15% per annum on application money, as prescribed under Section 73 of the Companies Act.

The 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.

Consents

Consents in writing of: (a) the Directors, the Company Secretary and Compliance Officer, the auditors, the legal advisors, the Bankers to the Issue; the Lenders; and (b) the Global Co-ordinators and Book Running Lead Managers and the Book Running Lead Manager, the Syndicate Members, the Escrow Collection Banks and the Registrar to the Issue to act in their respective capacities and consents of banks and financial institutions, being the lenders of our Company and the architect who has been named as an expert in this Prospectus, have been obtained and have been filed along with a copy of the Red Herring Prospectus with the ROC as required under Sections 60 and 60B of the Companies Act and such consents have not been withdrawn up to the time of delivery of the Prospectus for registration with the ROC.

In accordance with the Companies Act, 1956 and the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulation, 2009, M/s. Kalyaniwalla & Mistry, Chartered Accountants, the Company's Statutory Auditors have given their written consent to the inclusion of their report in the form and context in which it appears in the Prospectus and such consent and report has not been withdrawn up to the time of delivery of the Prospectus for registration with the ROC.

ICRA, the agency engaged for the purpose of obtaining IPO grading in respect of this Issue, has given its written consent to the inclusion of its report in the form and context in which it will appear in the Prospectus and such consent and report will not be withdrawn up to the time of delivery of the Red Herring Prospectus and the Prospectus with the RoC and Designated Stock Exchange.

Expert Opinion

Except for the following the Company has not obtained any expert opinions:

- (i) the report of ICRA Limited in respect of the IPO grading of this Issue annexed herewith; and
- (ii) Architect's certificate dated October 20, 2009 provided by M/s. P. G. Patki Architects Private Limited in relation to the Land Reserves of our Company. The architect's certificate has been provided as a material document in the section titled "Material Contracts and Documents for Inspection" on page 430 of this Prospectus.

Issue Related Expenses

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

Activity	Expense* (Rs. in Crores)	Percentage of the Issue Expenses*	Percentage of the Issue Size*
Lead management, Underwriting and Selling Commission	16.62	40.86	3.54
SCSB Commission	0.00	0.00	0.00
Advertising and marketing expense	15.60	38.34	3.33
Printing and stationery (including courier, transportation charges)	0.74	1.82	0.16
Others (Registrar's fees, legal fees, listing costs etc.)	7.63	18.76	1.63
Fees paid to rating agency	0.09	0.22	0.02
Total	40.68	100.00	8.68

The listing fee and all expenses with respect to the Issue will be borne by us.

Fees Payable to the Global Co-ordinators and Book Running Lead Managers, the Book Running Lead Managers, and Syndicate Members

The total fees payable to the GCBRLMs, BRLMs and the Syndicate Member (including underwriting commission and selling commission) will be as stated in the Engagement Letter with the GCBRLMs and the BRLMs, a copy of which is available for inspection at the registered office of the Company located at Godrej Bhavan, 4th Floor, 4A, Home Street, Fort, Mumbai 400 001.

Fees Payable to the Registrar to the Issue

The fees payable 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 per the Memorandum of Understanding signed with the Company, a copy of which is available for inspection at the registered office of the Company.

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 it to send refund orders or allotment advice by registered post/speed post/under certificate of posting.

Particulars regarding Public or Rights Issues during the Last Five Years

We have not made any public or rights issues during the last five years.

Previous issues of Equity Shares otherwise than for cash

Except as stated in the section entitled “Capital Structure” on page 28 of this Prospectus and “History and Corporate Matters” on page 117 of this Prospectus, the Company has not issued any Equity Shares for consideration otherwise than for cash.

Commission and Brokerage paid on Previous Issues of the Equity Shares

Since this is the initial public issue of Equity Shares, no sum has been paid or has been payable as commission or brokerage for subscribing to or procuring or agreeing to procure subscription for any of the Equity Shares since the Company’s inception.

Previous capital issue during the previous three years by listed group companies, subsidiaries and associates of the Company

Geometric Limited and Wadala Commodities have not undertaken any capital issue during the previous three years.

Godrej Consumer Products Limited had in the year 2008 undertaken a rights issue of 32,263,440 Equity Shares of the face value of Re. 1 each at a premium of Rs. 122 per equity share aggregating Rs. 396.84 Crores. The date of completion of delivery of share certificates was May 19, 2008. The objects of the issue were not for the purpose of financing any project but included funding of capital expenditure, investment in a joint venture, prepayment/ repayment of certain debt, investment in Godrej Netherlands, a subsidiary and financing the acquisition of Kinky Group (Pty) Limited.

The rate of dividend paid is as follows:

- Aug 2008 - Rs.0.75 per share
- Nov 2008 - Rs.0.75 per share
- Feb 2009 - Rs. 1.00 per share
- May 2009 - Rs.0.75 per share
- July 2009- Rs.1.75 per share (interim 08-09 and Final 09-10)
- Nov 2009 - Re.1.00 per share

For more details, please see “Group Companies” on page 165 of the Prospectus.

Promise vis-à-vis objects – Public/ Rights Issue of the Company and/ or listed group companies, subsidiaries and associates of the Company

Geometric Limited

In the fiscal year 1999-2000 Geometric Limited has undertaken an initial public offering of 310,000 Equity Shares of Rs. 10 each for cash at a premium of Rs. 290 per equity share (Issue price of Rs. 300) aggregating Rs. 9.3 Crores and an offer for sale by existing members of 1,000,000 Equity Shares at a premium of Rs. 290 per share (offer price of Rs. 300) aggregating Rs. 30 Crores. The issue closed on February 2, 2000.

The proceeds of the issue were applied for the objects of the issue as disclosed in the prospectus for the issue. The objects of the issue were:

- i) The establishment of software development facilities at Pune Information Technology Park, Hinjewadi, near Pune in Maharashtra,
- ii) Normal capital expenditure in the nature of upgradation of hardware/software,
- iii) The expenses of the issue, and
- iv) The listing of the company’s Equity Shares on the stock exchanges.

Geometric Limited has not made any projections in its prospectus at the time of its initial public offer.

Wadala Commodities Limited

Wadala Commodities Limited had undertaken a rights issue of its Equity Shares during fiscal year 2000. The company issued 12,158,073 Equity Shares of Rs. 10 each for cash at a premium of Rs.8 per equity share aggregating to Rs. 21.884 Crores to its existing shareholders on rights basis in the ratio of three shares for every four shares held as on the record date i.e. January 6, 2000. The issue closed on March 4, 2000.

The objects of the issue were as follows:

- i) To improve the debt equity mix of the company by part repayment of borrowings which would also reduce the interest burden; and
- ii) To cover the rights issue expenses.

Wadala Commodities Limited has utilised the proceeds arising out of the rights issue for the abovementioned objects.

Godrej Consumer Products Limited

Godrej Consumer Products Limited had in the year 2008 undertaken a rights issue of 32,263,440 Equity Shares of the face value of Re. 1 each at a premium of Rs. 122 per equity share aggregating Rs. 3,96.84 Crores . The issue closed on April 30, 2008. Godrej Consumer Products Limited has allotted 32,232,316 Equity Shares pursuant to the rights issue. The objects of the rights issue were as follows:

- i) Funding of capital expenditure;
- ii) Investment in a joint venture;
- iii) Repayment of certain debt;
- iv) Investment in a subsidiary, Godrej Netherlands;
- v) Financing the acquisition of Kinky Group (Pty) Limited; and
- vi) To cover the issue expenses.

For more details, please see “Group Companies” on page 165 of the Prospectus.

Outstanding Debentures or Bonds

The Company does not have any outstanding debentures or bonds as of the date of filing this Prospectus.

Outstanding Preference Shares

The Company does not have any outstanding preference shares other than those mentioned in the section entitled “Capital Structure” beginning on page 28 in this Prospectus.

Stock Market Data of our Equity Shares

This being an initial public issue of the Company, the Equity Shares are not listed on any stock exchange.

Mechanism for Redressal of Investor Grievances

The memorandum of understanding between the Registrar to the Issue, and the 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 dispatch of letters of allotment, demat credit, 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, application number, number of Equity Shares applied for, amount paid on application, Depository Participant, 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.

Changes in Auditors

From the Financial Year 2007-08, our auditors have changed from Kalyaniwalla Mistry & Associates to Kalyaniwalla & Mistry. Apart from there has been no change in our auditors in the last three years.

Capitalisation of Reserves or Profits

Except as disclosed in this Prospectus, we have not capitalised our reserves or profits at any time during the last five years.

Disposal of Investor Grievances by the Company

The Company estimates that the average time required by the Company or the Registrar to the Issue or the SCSB in case of ASBA Bidders for the redressal of routine investor grievances shall be ten working days from the date of receipt of the complaint. In case of non-routine complaints and complaints where external agencies are involved, the Company will seek to redress these complaints as expeditiously as possible.

The Company has appointed Mr. Shodhan A. Kembhavi, Company Secretary as the Compliance Officer and he may be contacted in case of any pre-Issue or post-Issue-related problems. He can be contacted at the following address:

Godrej Properties Limited

Godrej Bhavan

4th Floor, 4A

Home Street, Fort

Mumbai – 400 001

Email: secretarial@godrejproperties.com

SECTION VII: ISSUE RELATED INFORMATION

TERMS OF THE ISSUE

The Equity Shares being issued are subject to the provisions of the Companies Act, our Memorandum and Articles, conditions of the RBI/FIPB approval, the terms of the Draft Red Herring Prospectus, the Red Herring Prospectus and the Prospectus, Bid cum Application Form, the Revision Form, the CAN and other terms and conditions as may be incorporated in the Allotment advices and other documents/ certificates that may be executed in respect of the Issue. The Equity Shares shall also be subject to laws, guidelines, notifications and regulations relating to the issue of capital and listing of securities issued from time to time by SEBI, the Government of India, Stock Exchanges, RoC, RBI and/or other authorities, as in force on the date of the Issue and to the extent applicable.

Authority for the Issue

The Issue has been authorised by a resolution of the Board dated July 27, 2009 and by special resolution adopted pursuant to Section 81(1A) of the Companies Act, at an EGM of the shareholders of the Company held on September 30, 2009.

Ranking of Equity Shares

The Equity Shares being issued shall be subject to the provisions of our Memorandum and Articles of Association and shall rank pari-passu with the existing Equity Shares of the 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 the Company after the date of Allotment. For further details, please see “Main Provisions of the Articles of Association” on page 413 of this Prospectus.

Mode of Payment of Dividend

We shall pay dividends to our shareholders in accordance with the provisions of the Companies Act.

Face Value and Issue Price

The face value of the Equity Shares is Rs. 10 each and the Issue Price at the lower end of the Price Band is Rs. 490 per Equity Share and at the higher end of the Price Band is Rs. 530 per Equity Share. The Anchor Investor Issue Price is Rs. 530 per Equity Share.

At any given point of time there shall be only one denomination for the Equity Shares.

Compliance with SEBI 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 have the following rights:

- Right to receive dividend, if declared;
- Right to attend general meetings and exercise voting powers, unless prohibited by law;
- Right to vote on a poll either in person or by proxy;
- Right to receive offers for rights shares and be allotted bonus shares, if announced;

- Right to receive surplus on liquidation;
- Right of free transferability; and
- Such other rights, as may be available to a shareholder of a listed public company under the Companies Act, the terms of the listing agreement executed with the Stock Exchanges, and the Company's Memorandum and Articles.

For a detailed description of the main provisions of our Articles relating to voting rights, dividend, forfeiture and lien and/or consolidation/splitting, please refer to the section titled "Main Provisions of the Articles of Association" on page 413 of this Prospectus.

Market Lot and Trading Lot

In terms of Section 68B of the Companies Act, the Equity Shares shall be allotted only in dematerialised form. As per the SEBI Regulations, the trading of our Equity Shares shall only be in dematerialised form. Since trading of our Equity Shares is in dematerialised form, the tradable lot is one Equity Share. Allotment in this Issue will be only in electronic form in multiples of one (1) Equity Share subject to a minimum Allotment of 13 Equity Shares.

Joint Holders

Where two or more persons are registered as the holders of the Equity Shares, they shall be entitled to hold the same as joint tenants with benefits of survivorship.

Jurisdiction

Exclusive jurisdiction for the purpose of this Issue is with the competent courts/authorities in Mumbai.

Nomination Facility to Investor

In accordance with Section 109A of the Companies Act, the sole or first Bidder, along with other joint Bidders, may nominate any one person in whom, in the event of the death of sole Bidder or in case of joint Bidders, death of all the Bidders, as the case may be, the Equity Shares allotted, if any, shall vest. A person, being a nominee, entitled to the Equity Shares by reason of the death of the original holder(s), shall in accordance with Section 109A of the Companies Act, be entitled to the same advantages to which he or she would be entitled if he or she were the registered holder of the Equity Share(s). Where the nominee is a minor, the holder(s) may make a nomination to appoint, in the prescribed manner, any person to become entitled to Equity Share(s) in the event of his or her death during the minority. A nomination shall stand rescinded upon a sale of equity share(s) by the person nominating. A buyer will be entitled to make a fresh nomination in the manner prescribed. Fresh nomination can be made only on the prescribed form available on request at the Registered Office/ Corporate Office of the Company or to the Registrar and Transfer Agents of the Company.

In accordance with Section 109B of the Companies Act, any Person who becomes a nominee by virtue of Section 109A of the Companies Act, shall upon the production of such evidence as may be required by the Board, elect either:

- To register himself or herself as the holder of the Equity Shares; or
- To make such transfer of the Equity Shares, as the deceased holder could have made.

Further, the Board may at any time give notice requiring any nominee to choose either to be registered himself or herself or to transfer the Equity Shares, and if the notice is not complied with within a period of ninety days, the Board may thereafter withhold payment of all dividends, bonuses or other moneys payable in respect of the Equity Shares, until the requirements of the notice have been complied with.

Since the Allotment of Equity Shares in the Issue will be made only in dematerialised form, there is no need to make a separate nomination with the 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 the Company does not receive the minimum subscription of 90% of the Issue, including devolvment of underwriters within 60 days from the Bid/Issue Closing Date, the Company shall forthwith refund the entire subscription amount received. If there is a delay beyond eight (8) days after the Company becomes liable to pay the amount, the Company shall pay interest prescribed under Section 73 of the Companies Act.

If at least 60% of the Issue cannot be allocated to QIBs, then the entire application money will be refunded forthwith.

Further, we shall ensure that the number of prospective allottees 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, 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.

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 and Promoters' minimum contribution in the Issue as detailed in the section entitled "Capital Structure" on page 28 of this Prospectus, and except as provided in our Articles, there are no restrictions on transfers of Equity Shares. There are no restrictions on transfers of debentures except as provided in our Articles. There are no restrictions on transmission of shares/ debentures and on their consolidation/ splitting except as provided in our Articles. Please see the section entitled "Main Provisions of our Articles of Association" on page 413 of this Prospectus.

ISSUE STRUCTURE

Issue of 94,29,750 Equity Shares where 16,97,345 Equity Shares were issued for cash at a price of Rs. 530 per Equity Share (including a share premium of Rs.520 per Equity Share) and 77,32,405 Equity Shares were issued for cash at a price of Rs. 490 per Equity Share (including share premium of Rs. 480 per Equity Share) collectively aggregating to Rs. 468.85 Crores. The Issue will constitute 13.5% of the post-issue paid-up capital of the Company. The Company has allocated 1,697,345 Equity Shares or 30 % of the QIB Portion to Anchor Investors at the Anchor Investor Issue Price on a discretionary basis.

The Issue is being made through the 100% Book Building Process.

	QIBs[#]	Non-Institutional Bidders	Retail Individual Bidders
Number of Equity Shares*	At least 5,657,850 Equity Shares	Not less than 942,975 Equity Shares available for allocation or Issue less allocation to QIB Bidders and Retail Individual Bidders.	Not less than 28,28,925 Equity Shares available for allocation or Issue less allocation to QIB Bidders and Non-Institutional Bidders.
Percentage of Issue Size available for Allotment/allocation	At least 60% of the Issue Size being allocated. However, 5% of the QIB Portion (excluding the Anchor Investor Portion) shall be available for allocation proportionately to Mutual Funds only.	Not less than 10% of Issue or the Issue less allocation to QIB Bidders and Retail Individual Bidders.	Not less than 30% of the Issue or the Issue less allocation to QIB Bidders and Non-Institutional Bidders.
Basis of Allotment/Allocation if respective category is oversubscribed	Proportionate as follows: (a) 282,893 Equity Shares shall be allocated on a proportionate basis to Mutual Funds; and (b) 53,74,957 Equity Shares shall be allotted on a proportionate basis to all QIBs including Mutual Funds receiving allocation as per (a) above.	Proportionate	Proportionate
Minimum Bid	Such number of Equity Shares that the Bid Amount exceeds Rs. 1,00,000 and in multiples of 13 Equity Shares thereafter.	Such number of Equity Shares that the Bid Amount exceeds Rs. 1,00,000 and in multiples of 13 Equity Shares thereafter.	13 Equity Shares
Maximum Bid	Such number of Equity Shares not exceeding the Issue, subject to applicable limits.	Such number of Equity Shares not exceeding the Issue subject to applicable limits.	Such number of Equity Shares whereby the Bid Amount does not exceed Rs. 1,00,000.
Mode of Allotment	Compulsorily in dematerialised form.	Compulsorily in dematerialised form.	Compulsorily in dematerialised form.
Bid Lot	13 Equity Shares and in	13 Equity Shares and in	13 Equity Shares and in

	QIBs[#]	Non-Institutional Bidders	Retail Individual Bidders
	multiples of 13 Equity Shares thereafter.	multiples of 13 Equity Shares thereafter.	multiples of 13 Equity Shares thereafter.
Allotment Lot	13 Equity Shares and in multiples of 1 Equity Share thereafter	13 Equity Shares and in multiples of 1 Equity Share thereafter	13 Equity Shares and in multiples of 1 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 funds registered with SEBI, 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, insurance companies registered with Insurance Regulatory and Development Authority, provident funds (subject to applicable law) with minimum corpus of Rs. 250 million, pension funds with minimum corpus of Rs. 250 million in accordance with applicable law, and National Investment Fund.	Resident Indian individuals, Eligible NRIs, HUF (in the name of Karta), companies, corporate bodies, scientific institutions societies and trusts, sub-accounts of FIIs registered with SEBI, which are foreign corporates or foreign individuals.	Resident Indian individuals, Eligible NRIs and HUF (in the name of Karta)
Terms of Payment	Margin Amount shall be payable at the time of submission of Bid cum Application Form to the Syndicate Members.***	Amount shall be payable at the time of submission of Bid cum Application Form.	Amount shall be payable at the time of submission of Bid cum Application Form.##
Margin Amount	Not less than 10% of Bid Amount	Full Bid Amount on bidding	Full Bid Amount on bidding

[#] The Company has allocated 1,697,345 Equity Shares or 30 % of the QIB Portion to Anchor Investors at the Anchor Investor Issue Price on a discretionary basis. For further details, please see the section entitled "Issue Procedure" on page 370 of this Prospectus.

^{##} In case of ASBA Bidders, the SCSB shall be authorised to block such funds in the bank account of the ASBA Bidder that are 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 at least 60% 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 Company has allocated 1,697,345 Equity Shares or 30% of the QIB Portion to Anchor Investors at the Anchor Investor Issue Price on a discretionary basis. The remainder shall be available for allocation on a proportionate basis to QIBs and Mutual Funds, subject to valid Bids being received from them at or above the Issue Price. If at least 60% of the Issue cannot be allocated to QIBs, then the entire application money will be refunded forthwith. However, if the aggregate demand from Mutual Funds is less than 282,893 Equity Shares, the balance Equity Shares available for Allotment in the Mutual Fund Portion will be added to the QIB Portion and allocated proportionately to the QIB Bidders in proportion to their Bids. Further, not less than 10% of the Issue will be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 30% of the Issue will be available for allocation on a proportionate basis to Retail Individual Bidders, subject to valid Bids being received at or above the Issue Price.

Under-subscription, if any, in any category except in the QIB category would be met with spill-over from other categories at sole discretion of the Company, in consultation with the BRLMs. In case of under-subscription in the net offer to the public portion, spill over to the extent of under subscription shall be permitted from the reserved category of the net offer to public portion.

** 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.

*** After the Bid/ Issue Closing Date, depending on the level of subscription, additional Margin Amount, if any, may be called for from the QIB Bidders.

Withdrawal of the Issue

The Company, in consultation with the GCBRLMs 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 the 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. The 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 the Company shall be in compliance with applicable laws.

Bid/ Issue Programme

BID/ISSUE OPENS ON	December 9, 2009*
BID/ISSUE CLOSES ON	December 11, 2009

* The Anchor Investor Bid/ Issue opened and closed for subscription on December 8, 2009.

Bids and any revision in Bids shall be accepted **only between 10 a.m. and 3 p.m.** (Indian Standard Time) during the Bidding/ 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 Bidders) shall be uploaded until (i) 4.00 p.m. in case of Bids by QIB Bidders and Non-Institutional Bidders where the Bid Amount is in excess of Rs. 100,000 and (ii) until 5.00 p.m. or such extended time as permitted by the NSE and the BSE, in case of Bids by Retail Individual Bidders, where the Bid Amount is up to Rs. 100,000. It is clarified that the Bids not uploaded in the book would be rejected. Bids by the ASBA Bidders shall be uploaded by the SCSB in the electronic system to be provided by the NSE and the BSE.

In case of discrepancy in the data entered in the electronic book vis-à-vis the data contained in the physical Bid form, for a particular Bidder, the details as per the physical form of the Bidder may be taken as the final data for the purpose of allotment. In case of discrepancy in the data entered in the electronic book vis-à-vis the data contained in the physical or electronic Bid cum Application Form, for a particular ASBA Bidder, the Registrar to the Issue shall ask for rectified data from the SCSB.

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 the times mentioned above on the Bid/ Issue Closing Date. All times mentioned in the Prospectus are Indian Standard Time. 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 Business Days, i.e., Monday to Friday (excluding any public holiday).

On the Bid/ Issue Closing Date, extension of time will be granted by the Stock Exchanges only for uploading the Bids received by Retail 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 GCBRLMs and the BRLMs to the Stock Exchange within half an hour of such closure.

The Company, in consultation with the GCBRLMs and the BRLMs, reserves the right to revise the Price Band during the Bidding/ 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 atleast one (1) 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 Issue Period will be extended for three additional working days after revision of Price Band subject to the Bidding / Issue Period not exceeding 10 days. Any revision in the Price Band and the revised Bid/ Issue Period, if applicable, will be widely disseminated by notification to the BSE and the NSE, by issuing a press release and also by indicating the changes on the web site of the GCBRLMs and the BRLMs and at the terminals of the Syndicate.

ISSUE PROCEDURE

Book Building Procedure

The Issue is being made through the 100% Book Building Process wherein at least 60% of the Net Issue shall be allocated to Qualified Institutional Buyers 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 60% of the Net Issue cannot be allocated to QIBs, then the entire application money will be refunded forthwith. Further, not less than 10% of the Net Issue will be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 30% of the Net 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.

Bidders are required to submit their Bids through the Syndicate. Further, QIB Bids can be procured and submitted only through the GCBRLMs and the BRLMs or their affiliate syndicate members. In case of QIB Bidders, the Company, in consultation with the GCBRLMs and the BRLMs, may reject Bids at the time of acceptance of Bid cum Application Form provided that the reasons for such rejection shall be provided to such QIB Bidder in writing. In case of Non-Institutional Bidders and Retail Individual Bidders, the Company would have a right to reject the Bids only on technical grounds.

Investors should note that the Equity Shares will be allotted to all successful Bidders only in dematerialised form. 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

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. Upon the allocation of Equity Shares, dispatch of the CAN, and filing of the Prospectus with the RoC, the Bid cum Application Form shall be considered as the Application Form. Upon completing and submitting the Bid cum Application Form to a member of the Syndicate, the Bidder is deemed to have authorised the Company to make the necessary changes in the Red Herring Prospectus and the Bid cum Application Form as would be required for filing the Prospectus with the RoC and as would be required by RoC after such filing, without prior or subsequent notice of such changes to the Bidder.

ASBA Bidders shall submit a Bid cum Application Form either in physical or electronic form to the SCSB authorising blocking funds that are available in the bank account specified in the Bid cum Application Form used by ASBA Bidders. The ASBA Bidders can only provide one Bid in the Bid cum Application Form at Cut-off Price. Upon the allocation of Equity Shares, dispatch of the CAN, and filing of the Prospectus with the RoC, the ASBA Bid cum Application Form shall be considered as the Application Form. Upon completing and submitting the ASBA Bid cum Application Form to the SCSB, the ASBA Bidder is deemed to have authorised the Company to make the necessary changes in the Red Herring Prospectus and the ASBA 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 ASBA Bidder.

The prescribed colour of the Bid cum Application Form for various categories is as follows:

Category	Colour of Bid cum Application Form
Resident Indians and Eligible NRIs applying on a non-repatriation basis	White with Pink strip

Category	Colour of Bid cum Application Form
Eligible NRIs or FIIs applying on a repatriation basis	Blue
ASBA Bidders	White with Black strip
Anchor Investors*	White with Black strip

*Bid cum Application forms for Anchor Investors have been made available for Anchor Investors at the Registered Office of the Company and the GCBRLMs and BRLMs.

- Only Resident Retail Individual Investors can participate by way of ASBA process.
- Only QIBs can participate in the Anchor Investor Portion.

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 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 constitution to hold and invest in Equity Shares;
- Scientific and/or industrial research organisations authorised to invest in Equity Shares;
- Insurance Companies registered with Insurance Regulatory and Development Authority;
- Provident Funds with minimum corpus of Rs. 250 million and who are authorised under their constitution to hold and invest in Equity Shares;
- Pension Funds with minimum corpus of Rs. 250 million and who are authorised under their constitution to hold and invest in Equity Shares;
- National Investment Fund; and
- Sub-accounts of FIIs registered with SEBI, which are foreign corporates or foreign individuals.

As per the existing regulations, OCBs cannot participate in this Issue.

Participation by Associates of GCBRLMs, the BRLMs and Syndicate Members

The GCBRLMs, the BRLMs and Syndicate Members shall not be allowed to subscribe to this Issue in any manner except towards fulfilling their underwriting obligations. However, associates and affiliates of the GCBRLMs, 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 investors, where the allocation is on a proportionate basis.

The GCBRLMs and the BRLMs and any persons related to the GCBRLMs and the BRLMs, the Promoters 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 282,893 Equity Shares, allocation shall be made to Mutual Funds proportionately, to the extent of the Mutual Fund Portion. The remaining demand by the Mutual Funds shall, as part of the aggregate demand by QIBs, be 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 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 the Equity Shares or equity related instruments of any company provided that the limit of 10% shall not be applicable for investments in index funds or sector or industry specific funds. No mutual fund under all its schemes should own more than 10% of any company's paid-up share capital carrying voting rights.

Bids by Eligible NRIs

1. Bid cum Application Forms have been made available for Eligible NRIs at the Registered Office of the Company and with members of the Syndicate.
2. Eligible NRI applicants may please note that only such applications as are accompanied by payment in free foreign exchange shall be considered for Allotment. The Eligible NRIs who intend to make payment through Non-Resident Ordinary (NRO) accounts shall use the form meant for Resident Indians.
3. Non-Residents cannot subscribe to this Issue under the ASBA process.

Bids by FIIs

As per the current regulations, the following restrictions are applicable for investments by FIIs:

The issue of Equity Shares to a single FII should not exceed 10% of our post-issue issued capital (i.e. 10% of 69,850,009 Equity Shares). In respect of an FII investing in our Equity Shares on behalf of its sub-accounts, the investment on behalf of each sub-account shall not exceed 10% of our total issued capital or 5% of our total issued capital in case such sub-account is a foreign corporate or an individual. As of now, the aggregate FII holding in us cannot exceed 24% of our total issued capital. With the approval of the board and the shareholders by way of a special resolution, the aggregate FII holding can go up to 100%. However, as on this date, no such resolution has been recommended to the shareholders of the company for adoption.

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

Subject to compliance with all applicable Indian laws, rules, regulations guidelines and approvals in terms of regulation 15A(1) of the Securities Exchange Board of India (Foreign Institutional Investors) Regulations 1995, as amended (the “SEBI FII Regulations”), an FII, as defined in the SEBI FII Regulations, or its sub-account may issue, deal or hold, off shore derivative instruments (defined under the SEBI FII Regulations as any instrument, by whatever name called, which is issued overseas by a foreign institutional investor 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. The FII or sub-account is also required to ensure that no further issue or transfer of any Offshore Derivative Instrument issued by it is made to any persons that are not regulated by an appropriate foreign regulatory authority as defined under the SEBI Regulations. Associates and affiliates of the underwriters including the GCBRLMs, the BRLMs and the Syndicate Member that are FIIs may issue offshore derivative instruments against Equity Shares Allotted to them in the Issue.

Bids by SEBI registered Venture Capital Funds

As per the current regulations, the following restrictions are applicable for SEBI Registered Venture Capital Funds and Foreign Venture Capital Investors:

The SEBI (Venture Capital) Regulations, 1996 and the SEBI (Foreign Venture Capital Investor) Regulations, 2000 prescribe investment restrictions on venture capital funds and foreign venture capital investors registered with SEBI.

Accordingly, whilst 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, a Foreign Venture Capital Investor can invest its entire funds committed for investments into India in one company. Further, Venture Capital Funds and Foreign Venture Capital Investors can invest only up to 33.33% of the investible funds by way of subscription to an initial public offer.

Non-residents such as FVCIs, multilateral and bilateral development financial institutions are not permitted to participate in the Issue.

The above information is given for the benefit of the Bidders. The Company, the GCBRLMs 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 Prospectus. Bidders are advised to make their independent investigations and ensure that the number of Equity Shares Bid for do not exceed the applicable limits under laws or regulations.

Maximum and Minimum Bid Size

- (a) **For Retail Individual Bidders:** The Bid must be for a minimum of 13 Equity Shares and in multiples of 13 Equity Share thereafter, so as to ensure that the Bid Price payable by the Bidder does not exceed Rs. 100,000. In case of revision of Bids, the Retail Individual Bidders have to ensure that the Bid Price does not exceed Rs. 100,000. In case the Bid Price is over Rs. 100,000 due to revision of the Bid or revision of the Price Band or on exercise of Cut-off option, the Bid would be considered for allocation under the Non-Institutional Bidders portion. The Cut-off option is an option given only to the Retail Individual Bidders indicating their agreement to Bid and purchase at the final Issue Price as determined at the end of the Book Building Process.
- (b) **For Other Bidders (Non-Institutional Bidders and QIBs):** The Bid must be for a minimum of such number of Equity Shares such that the Bid Amount exceeds Rs. 100,000 and in multiples of 13 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 QIB Margin upon submission of Bid.**

In case of revision in Bids, the Non-Institutional Bidders, who are individuals, have to ensure that the Bid Amount is greater than Rs. 100,000 for being considered for allocation in the Non-Institutional Portion. In case the Bid Amount reduces to Rs. 100,000 or less due to a revision in Bids or revision of the Price Band, Bids by Non-Institutional Bidders who are eligible for allocation in the Retail Portion would be considered for allocation under the Retail Portion. Non-Institutional Bidders and QIBs are not allowed to Bid at 'Cut-off'.

- (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 and in multiples of 13 Equity Shares thereafter. 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. **Anchor Investors cannot withdraw their Bids after the Anchor Investor Bid/ Issue Period.**

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 the Red Herring Prospectus.

Information for the Bidders:

- (a) The Company will file the Red Herring Prospectus with the RoC at least 3 (three) days before the Bid/Issue Opening Date.
- (b) The members of the Syndicate will circulate copies of the Red Herring Prospectus along with the Bid cum Application Form to potential investors.
- (c) Any investor (who is eligible to invest in our Equity Shares) who would like to obtain the Red Herring Prospectus and/ or the Bid cum Application Form can obtain the same from our registered office or from any of the members of the Syndicate.
- (d) Eligible investors who are interested in subscribing for the Equity Shares should approach any of the GCBRLMs or the BRLMs or Syndicate Members or their authorised agent(s) to register their Bids.
- (e) The Bids should be submitted on the prescribed Bid cum Application Form only. Bid cum Application Forms should bear the stamp of the members of the Syndicate. Bid cum Application Forms, which do not bear the stamp of the members of the Syndicate will be rejected.

Method and Process of Bidding

- (a) The Company, the GCBRLMs and the BRLMs shall declare the Bid/Issue Opening Date, 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 Marathi newspaper with wide circulation. This advertisement shall be in the prescribed format. The Price Band and the minimum Bid Lot size for the Issue will be decided by the Company in consultation with the GCBRLMs and the BRLMs and advertised in all editions of Economic Times in the English language, Mumbai and Delhi edition of Navbharat Times in the Hindi language and Mumbai edition of Maharashtra Times in the Marathi language at least two (2) working days prior to the Bid/ Issue Opening Date. The Members of the Syndicate shall accept Bids from the Bidders during the Issue Period in accordance with the terms of the Syndicate Agreement.
- (b) The Bid/Issue Period shall be for a minimum of three working days and shall not exceed 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 Marathi newspaper with wide circulation and also by indicating the change on the websites of the GCBRLMs, the BRLMs and at the terminals of the members of the Syndicate.

- (c) During the Bid/Issue Period, eligible investors who are interested in subscribing for the Equity Shares should approach the members of the Syndicate or their authorised agents to register their Bid.
- (d) Each Bid cum Application Form will give the Bidder the choice to bid for up to three optional prices (for details refer to the paragraph titled “Bids at Different Price Levels” below) within the Price Band and specify the demand (i.e., the number of Equity Shares Bid for) in each option. The price and demand options submitted by the Bidder in the Bid cum Application Form will be treated as optional demands from the Bidder and will not be cumulated. After determination of the Issue Price, the maximum number of Equity Shares Bid for by a Bidder at or above the Issue Price will be considered for allocation/Allotment and the rest of the Bid(s), irrespective of the Bid Price, will become automatically invalid.
- (e) The Bidder cannot bid on another Bid cum Application Form after Bids on one Bid cum Application Form have been submitted to any member of the Syndicate. Submission of a second Bid cum Application Form to either the same or to another member of the Syndicate will be treated as multiple Bids and is liable to be rejected either before entering the Bid into the electronic bidding system, or at any point of time prior to the allocation or Allotment of Equity Shares in this Issue. However, the Bidder can revise the Bid through the Revision Form, the procedure for which is detailed under the paragraph titled “Build up of the Book and Revision of Bids”.
- (f) The members of the Syndicate will enter each Bid option into the electronic bidding system as a separate Bid and generate a Transaction Registration Slip, (“TRS”), for each price and demand option and give the same to the Bidder. Therefore, a Bidder can receive up to three TRSs for each Bid cum Application Form.
- (g) During the Bid/Issue Period, Bidders may approach the members of the Syndicate to submit their Bid. Every member of the Syndicate shall accept Bids from all clients / investors who place orders through them and shall have the right to vet the Bids, subject to the terms of the Syndicate Agreement and the Red Herring Prospectus.
- (h) The GCBRLMs and the BRLMs shall accept Bids from the Anchor Investors during the Anchor Investor Bid/ Issue Period i.e. one day prior to the Bid/ Issue Opening Date. Bids by Anchor Investors under the Anchor Investor Portion and the QIB Portion shall not be considered as multiple Bids.
- (i) Along with the Bid cum Application Form, all Bidders will make payment in the manner described under the paragraph titled “Terms of Payment and Payment into the Escrow Accounts” on page 376 of the Prospectus.

Bids at Different Price Levels and Revision of Bids

- (a) The Bidders can bid at any price within the Price Band, in multiples of Re.1 (One). The Price Band and the minimum Bid Lot size for the Issue will be decided by the Company, in consultation with the GCBRLMs and the BRLMs, and advertised in all editions of Economic Times in the English language, Mumbai and Delhi edition of Navbharat Times in the Hindi language and Mumbai edition of Maharashtra Times in the Marathi language at least two (2) working days prior to the Bid/ Issue Opening Date.
- (b) The Company, in consultation with the GCBRLMs and the BRLMs, reserves the right to revise the Price Band during the Bidding/ 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 atleast one (1) days prior to the Bid/ Issue Opening Date and the Cap Price will be revised accordingly.
- (c) In case of revision in the Price Band, the Bid/Issue Period will be extended for three additional days after revision of Price Band subject to a maximum of 10 working days. Any revision in the Price Band

and the revised Bid/Issue Period, if applicable, will be widely disseminated by notification to the BSE and the NSE, by issuing a public notice in two national newspapers (one each in English and Hindi) and also by indicating the change on the websites of the GCBRLMs, the BRLMs, SCSBs and at the terminals of the members of the Syndicate.

- (d) The Company, in consultation with the GCBRLMs and the BRLMs can finalise the Issue Price within the Price Band in accordance with this clause, without the prior approval of, or intimation, to the Bidders.
- (e) The Company, in consultation with the GCBRLMs 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 bidding at Cut-Off Price shall submit the Bid cum Application Form along with a cheque/demand draft for the Bid Amount based on the cap of the Price Band with the members of the Syndicate. In the event the Bid Amount is higher than the subscription amount payable by the Retail Individual Bidders, who Bid at Cut-off Price, shall receive the refund of the excess amounts from the respective Refund Account.
- (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 members of the Syndicate to whom the original Bid was submitted. In case the total amount (i.e., original Bid Amount plus additional payment) exceeds Rs. 100,000, the Bid will be considered for allocation under the Non-Institutional Portion in terms of the 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 Allotment, 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. The Company, in consultation with the GCBRLMs 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.

Escrow mechanism, terms of payment and payment into the Escrow Accounts

For details of the escrow mechanism and payment instructions, please refer to the section titled “Issue Procedure-Payment Instructions” on page 384 of this Prospectus.

Electronic Registration of Bids

- (a) The members of the Syndicate will register the Bids using the on-line facilities of BSE and NSE. There will be at least one on-line connectivity in each city, where a stock exchange is located in India and where Bids are being accepted.
- (b) The BSE and NSE will offer a screen-based facility for registering Bids for the Issue. This facility will be available on the terminals of the Members of the Syndicate and their authorised agents during the

Bidding Period. Syndicate Members can also set up facilities for off-line electronic registration of Bids subject to the condition that they will subsequently upload the off-line data file into the on-line facilities for book building on a regular basis. On the Bid/ Issue Closing Date, the Members of the Syndicate shall upload the Bids till such time as may be permitted by the Stock Exchanges. This information will be available with the GCBRLMs and the BRLMs on a regular basis.

- (c) The aggregate demand and price for Bids registered on the electronic facilities of BSE and NSE will be uploaded on a regular basis, consolidated and displayed on-line at all bidding centres and the website of BSE and NSE. A graphical representation of consolidated demand and price would be made available at the bidding centres during the Bidding Period.
- (d) At the time of registering each Bid, the members of the Syndicate shall enter the following details of the investor in the on-line system:
 - Name of the investor.
 - Investor Category – Individual, Corporate, FII, NRI, Mutual Fund, etc.
 - Numbers of Equity Shares bid for.
 - Bid price.
 - Bid cum Application Form number.
 - Whether Margin Amount has been paid upon submission of Bid cum Application Form.
 - Depository Participant Identification Number and Client Identification Number of the beneficiary account of the Bidder.
- (e) A system generated TRS will be given to the Bidder as a proof of the registration of each of the bidding options. It is the Bidder's responsibility to obtain the TRS from the members of the Syndicate. The registration of the Bid by the member of the Syndicate does not guarantee that the Equity Shares shall be allocated/Allotment either by the members of the Syndicate or the Company.
- (f) Such TRS will be non-negotiable and by itself will not create any obligation of any kind.
- (g) In case of QIB Bidders, Members of the Syndicate also have the right to accept the bid or reject it. However, such rejection should be made at the time of receiving the bid and only after assigning a reason for such rejection in writing. In case of Non-Institutional Bidders and Retail Individual Bidders, Bids would not be rejected except on the technical grounds listed on page 388 of the Prospectus.
- (h) The permission given by BSE and NSE to use their network and software of the Online IPO system should not in any way be deemed or construed to mean that the compliance with various statutory and other requirements by the Company and/or the GCBRLMs and the BRLMs are cleared or approved by BSE and NSE; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the compliance with the statutory and other requirements nor does it take any responsibility for the financial or other soundness of the Company, our Promoters, our management or any scheme or project of the Company.
- (i) Details of Bids in the Anchor Investor Portion will not be registered on the on-line facilities of electronic facilities of BSE and NSE.
- (j) It is also to be distinctly understood that the approval given by BSE and NSE should not in any way be deemed or construed that the Red Herring Prospectus has been cleared or approved by the BSE and NSE; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of the Red Herring Prospectus; nor does it warrant that the Equity Shares will be listed or will continue to be listed on the BSE and NSE.

Build up of the book and revision of bids

- (a) Bids registered by various Bidders through the members of the Syndicate shall be electronically

- transmitted to the BSE or NSE mainframe on a regular basis.
- (b) The book gets built up at various price levels. This information will be available with the GCBRLMs and the BRLMs on a regular basis.
 - (c) During the Bidding/Issue Period, any Bidder who has registered his or her interest in the Equity Shares at a particular price level is free to revise his or her Bid within the Price Band using the printed Revision Form, which is a part of the Bid cum Application Form.
 - (d) Revisions can be made in both the desired number of Equity Shares and the Bid Amount by using the Revision Form. Apart from mentioning the revised options in the revision form, the Bidder must also mention the details of all the options in his or her Bid cum Application Form or earlier Revision Form. For example, if a Bidder has Bid for three options in the Bid cum Application Form and he is changing only one of the options in the Revision Form, he must still fill the details of the other two options that are not being revised, in the Revision Form. The members of the Syndicate will not accept incomplete or inaccurate Revision Forms.
 - (e) The Bidder can make this revision any number of times during the Bidding Period. However, for any revision(s) in the Bid, the Bidders will have to use the services of the same member of the Syndicate through whom he or she had placed the original Bid. Bidders are advised to retain copies of the blank Revision Form and the revised Bid must be made only in such Revision Form or copies thereof.
 - (f) Any revision of the Bid shall be accompanied by payment in the form of cheque or demand draft for the incremental amount, if any, to be paid on account of the upward revision of the Bid. The excess amount, if any, resulting from downward revision of the Bid would be returned to the Bidder at the time of refund in accordance with the terms of the Red Herring Prospectus. In case of QIB Bidders, the members of the Syndicate shall collect the payment in the form of cheque or demand draft for the incremental amount in the QIB Margin Amount, if any, to be paid on account of the upward revision of the Bid at the time of one or more revisions by the QIB Bidders.
 - (g) When a Bidder revises his or her Bid, he or she shall surrender the earlier TRS and get a revised TRS from the members of the Syndicate. It is the responsibility of the Bidder to request for and obtain the revised TRS, which will act as proof of his or her having revised the previous Bid.
 - (h) Only Bids that are uploaded on the online IPO system of the NSE and BSE shall be considered for allocation/ Allotment. In case of discrepancy of data between the BSE or the NSE and the members of the Syndicate, the decision of the Company in consultation with the GCBRLMs and the BRLMs based on the physical records of Bid Application Forms shall be final and binding on all concerned.

Price Discovery and Allocation

- (a) After the Bid/Issue Closing Date, the GCBRLMs and the BRLMs will analyse the demand generated at various price levels and discuss the pricing strategy with the Company.
- (b) The Company in consultation with the GCBRLMs and the BRLMs shall finalise the Issue Price.
- (c) The allocation to QIBs will be at least 60% of the Net Issue and 10% and 30% of the Net 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 Regulations and the Red Herring Prospectus, in consultation with the Designated Stock Exchange, subject to valid bids being received at or above the Issue Price.
- (d) Under-subscription, if any, in 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 the Company in consultation with the GCBRLMs, the BRLMs and the Designated Stock Exchange. If at least 60% of the Net Issue is not allocated to the QIBs, the entire subscription monies shall be refunded. In case of

- under-subscription in the net offer to the public portion, spill over to the extent of under subscription shall be permitted from the reserved category of the net offer to public portion
- (e) Allocation to Non-Residents, including Eligible NRIs and FIIs registered with SEBI, applying on repatriation basis will be subject to applicable law, rules, regulations, guidelines and approvals.
 - (f) The GCBRLMs and the BRLMs, in consultation with us, shall notify the members of the Syndicate of the Issue Price and allocations to their respective Bidders, where the full Bid Amount has not been collected from the Bidders.
 - (g) QIB Bidders shall not be allowed to withdraw their Bid after the Bid/Issue Closing Date.
 - (h) The allotment details shall be put on the website of the Registrar to the Issue.

Signing of Underwriting Agreement and RoC Filing

- (a) The Company, the GCBRLMs, the BRLMs and the Syndicate Members shall enter into an Underwriting Agreement on finalisation of the Issue Price.
- (b) After signing the Underwriting Agreement, we would update and file the updated Red Herring Prospectus with ROC, which then would be termed 'Prospectus'. The Prospectus would have details of the Issue Price, Issue size, underwriting arrangements and would be complete in all material respects.

Filing of the Prospectus with the RoC

The Company will file a copy of the Prospectus with the RoC in terms of Section 56, Section 60 and Section 60B of the Companies Act.

Pre-Issue Advertisement

Subject to Section 66 of the Companies Act, the Company shall, after registering the Red Herring Prospectus with the ROC, publish a pre-Issue advertisement, in the form prescribed by the SEBI Regulations, in one widely circulated English language national daily newspaper; one widely circulated Hindi language national daily newspaper and one Marathi newspaper with wide circulation.

Advertisement regarding Issue Price and Prospectus

We will issue a statutory advertisement after the filing of the Prospectus with the RoC. This advertisement, in addition to the information that has to be set out in the statutory advertisement, shall indicate the 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.

Issuance of Confirmation of Allocation Note ("CAN")

- (a) Upon approval of the basis of Allotment by the Designated Stock Exchange, the GCBRLMs or the BRLMs or the Registrar to the Issue shall send to the members of the Syndicate a list of their Bidders who have been allocated/allotted Equity Shares in the Issue. The approval of the basis of Allotment by the Designated Stock Exchange for QIB Bidders may be done simultaneously with or prior to the approval of the basis of allocation for the Retail and Non-Institutional Bidders. However, investors should note that the Company shall ensure that the date of Allotment of the Equity Shares to all investors in this Issue shall be done on the same date.
- (b) The GCBRLMs or the BRLMs or members of the Syndicate will then dispatch a CAN to their Bidders who have been allocated Equity Shares in the Issue. The dispatch of a CAN shall be deemed a valid, binding and irrevocable contract for the Bidder to pay the entire Issue Price for all the Equity Shares allocated to such Bidder. Those Bidders who have not paid the entire Bid Amount into the Escrow

Account at the time of bidding shall pay in full the amount payable into the Escrow Account by the Pay-in Date specified in the CAN.

- (c) Bidders who have been allocated/allotted Equity Shares and who have already paid the Bid Amount into the Escrow Account at the time of bidding shall directly receive the CAN from the Registrar to the Issue subject, however, to realisation of his or her cheque or demand draft paid into the Escrow Account. The dispatch of a CAN shall be deemed a valid, binding and irrevocable contract for the Bidder to pay the entire Issue Price for the Allotment to such Bidder.
- (d) The Issuance of CAN is subject to “Notice to Anchor Investors - Allotment Reconciliation and Revised CANs” and “Notice to QIBs - Allotment Reconciliation and Revised CANs” as set forth under the section “Issue Procedure” on page 370 of this Prospectus.

Notice to Anchor Investors: Allotment Reconciliation and Revised CANs

A physical book will be prepared by the Registrar on the basis of Bids uploaded on the BSE/NSE system. Based on the physical book and at the discretion of the GCBRLMs and 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. The provisional CAN shall constitute the valid, binding and irrevocable contract (subject only to the issue of a revised CAN) for the Anchor Investors to pay the entire Anchor Investor Issue Price for all the Equity Shares allocated to such Anchor Investor. This provisional CAN and the final allocation is subject to 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 may be sent to Anchor Investors. The price of Equity Shares in such revised CAN may be different from that specified in the earlier CAN. Anchor Investors should note that they may be required to pay additional additional amounts, if any, by the Pay-in Date specified in the revised CAN, for any increased allocation of Equity Shares or increased price of Equity Shares. The Pay-in Date in the revised CAN shall not be later than two days after the Bid/ Issue Closing Date. Any revised CAN, if issued, will supersede in entirety the earlier CAN.

Notice to QIBs: Allotment Reconciliation and Revised CANs

After the Bid/Issue Closing Date, an electronic book will be prepared by the Registrar on the basis of Bids uploaded on the BSE/NSE system. This shall be followed by a physical book prepared by the Registrar on the basis of Bid cum Application Forms received. Based on the electronic book or the physical book, as the case may be, QIBs may be sent a CAN, indicating the number of Equity Shares that may be allocated to them. This CAN is subject to the basis of final Allotment, which will be approved by the Designated Stock Exchange and reflected in the reconciled book prepared by the Registrar. Subject to SEBI Regulations, certain Bid applications may be rejected due to technical reasons, non-receipt of funds, cancellation of cheques, cheque bouncing, incorrect details, etc., and these rejected applications will be reflected in the reconciliation and basis of Allotment as approved by the Designated Stock Exchange. As a result, a revised CAN may be sent to QIBs and the allocation of Equity Shares in such revised CAN may be different from that specified in the earlier CAN. QIBs should note that they may be required to pay additional amounts, if any, by the Pay-in Date specified in the revised CAN, for any increased allocation of Equity Shares. The CAN will constitute the valid, binding and irrevocable contract (subject only to the issue of a revised CAN) for the QIB to pay the entire Issue Price for all the Equity Shares allocated to such QIB. The revised CAN, if issued, will supersede in entirety the earlier CAN.

Designated Date and Allotment of Equity Shares

- (a) The Company will ensure that the Allotment of Equity Shares is done within 15 (fifteen) days of the Bid/Issue Closing Date. After the funds are transferred from the Escrow Account to the Public Issue Account on the Designated Date, the Company would ensure the credit to the successful Bidders depository account within two working days of the date of allotment.
- (b) In accordance with the SEBI 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 Depository Participant and 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;
- (f). Ensure that you have been given a TRS for all your Bid options;
- (g). Submit revised Bids to the same member of the Syndicate through whom the original Bid was placed and obtain a revised TRS;
- (h). Except for Bids submitted on behalf of the Central Government or the State Government and officials appointed by a court, all Bidders should mention their Permanent Account Number (PAN) allotted under the IT Act;
- (i). Ensure that the Demographic Details (as defined herein below) are updated, true and correct in all respects;
- (j). Ensure that the name(s) given in the Bid cum Application Form is exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant. In case the Bid cum Application Form is submitted in joint names, ensure that the beneficiary account is also held in same joint names and such names are in the same sequence in which they appear in the Bid cum Application Form.

Don'ts:

- (a). Do not bid for lower than the minimum Bid size;
- (b). Do not bid/ revise Bid price to less than the lower end of the Price Band or higher than the higher end of the Price Band;
- (c). Do not bid on another Bid cum Application Form after you have submitted a Bid to the members of the Syndicate;
- (d). Do not pay the Bid Price in cash, by money order or by postal order or by stockinvest;
- (e). Do not send Bid cum Application Forms by post; instead submit the same to a member of the Syndicate only;

- (f). Do not bid at Cut Off Price (for QIB Bidders and Non-Institutional Bidders, for bid amount in excess of Rs. 100,000);
- (g). Do not fill up the Bid cum Application Form such that the Equity Shares bid for exceeds the Issue Size and/ or investment limit or maximum number of Equity Shares that can be held under the applicable laws or regulations or maximum amount permissible under the applicable regulations;
- (h). Do not submit the GIR number instead of the PAN as the Bid is liable to be rejected on this ground.

Bids and Revisions of Bids

Bids and revisions of Bids must be:

- (a) Made only in the prescribed Bid cum Application Form or Revision Form, as applicable (white colour or blue colour).
- (b) Completed in full, in BLOCK LETTERS in ENGLISH and in accordance with the instructions contained herein, in the Bid cum Application Form or in the Revision Form. Incomplete Bid cum Application Forms or Revision Forms are liable to be rejected.
- (c) For Retail Individual Bidders, the Bid must be for a minimum of 13 Equity Shares and in multiples of 13 thereafter subject to a maximum Bid Amount of Rs. 100,000.
- (d) For Non-Institutional Bidders and QIB Bidders, Bids must be for a minimum of such number of Equity Shares that the Bid Amount exceeds or equal to Rs. 100,000 and in multiples of 13 Equity Shares thereafter. Bids cannot be made for more than the Issue. Bidders are advised to ensure that a single Bid from them should not exceed the investment limits or maximum number of shares that can be held by them under the applicable laws or regulations.
- (e) 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 13 Equity Shares thereafter.
- (f) In single name or in joint names (not more than three, and in the same order as their Depository Participant details).
- (g) Thumb impressions and signatures other than in the languages specified in the Eighth Schedule to the Constitution of India must be attested by a Magistrate or a Notary Public or a Special Executive Magistrate under official seal.

INSTRUCTIONS FOR COMPLETING THE BID CUM APPLICATION FORM

Bidders can obtain Bid cum Application Forms and/or Revision Forms from the members of the Syndicate.

Bidder's Depository Account and Bank Account Details

Bidders should note that on the basis of name of the Bidders, Depository Participant's name, Depository Participant-Identification number and Beneficiary Account Number provided by them in the Bid cum Application Form, the Registrar to the Issue will obtain from the Depository the demographic details including address, Bidders bank account details, MICR code and occupation (hereinafter referred to as "Demographic Details"). These Bank Account details would be used for giving refunds (including through physical refund warrants, direct credit, ECS, NEFT and RTGS) to the Bidders. Hence, Bidders are advised to immediately update their Bank Account details as appearing on the records of the Depository Participant. Please note that failure to do so could result in delays in despatch/ credit of refunds to Bidders at the Bidders sole risk and neither the GCBRLMs or the BRLMs the Registrar to the Issue or the Escrow Collection Banks or the SCSBs nor the Company shall have any responsibility and undertake any liability for the same. Hence, Bidders should carefully fill in their Depository Account

details in the Bid cum Application Form.

IT IS MANDATORY FOR ALL THE BIDDERS TO GET THEIR EQUITY SHARES IN DEMATERIALISED FORM. ALL BIDDERS SHOULD MENTION THEIR DEPOSITORY PARTICIPANT'S NAME, DEPOSITORY PARTICIPANT IDENTIFICATION NUMBER AND BENEFICIARY ACCOUNT NUMBER IN THE BID CUM APPLICATION FORM. INVESTORS MUST ENSURE THAT THE NAME GIVEN IN THE BID CUM APPLICATION FORM IS EXACTLY THE SAME AS THE NAME IN WHICH THE DEPOSITORY ACCOUNT IS HELD. IN CASE THE BID CUM APPLICATION FORM IS SUBMITTED IN JOINT NAMES, IT SHOULD BE ENSURED THAT THE DEPOSITORY ACCOUNT IS ALSO HELD IN THE SAME JOINT NAMES AND ARE IN THE SAME SEQUENCE IN WHICH THEY APPEAR IN THE BID CUM APPLICATION FORM.

These Demographic Details would be used for all correspondence with the Bidders including mailing of the CANs/Allocation Advice and printing of Bank particulars on the refund orders or for refunds through electronic transfer of funds, as applicable. The Demographic Details given by Bidders in the Bid cum Application Form would not be used for any other purpose by the Registrar to the Issue.

By signing the Bid cum Application Form, the Bidder would be deemed to have authorised the depositories to provide, upon request, to the Registrar to the Issue, the required Demographic Details as available on its records.

Refund Orders/Allocation Advice/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/allocation advice/CANs may get delayed if the same once sent to the address obtained from the depositories are returned undelivered. In such an event, the address and other details given by the Bidder in the Bid cum Application Form would be used only to ensure dispatch of refund orders. Please note that any such delay shall be at the Bidders sole risk and neither the Company, Escrow Collection Banks nor the GCBRLMs or 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, names of the Bidders (including the order of names of joint holders), the Depository Participant's identity (DP ID) and the beneficiary's identity, then such Bids are liable to be rejected.

The Company in its absolute discretion, reserves the right to permit the holder of the power of attorney to request the Registrar that for the purpose of printing particulars on the refund order and mailing of the refund order/CANs/allocation advice or refunds through electronic transfer of funds, the Demographic Details given on the Bid cum Application Form should be used (and not those obtained from the Depository of the Bidder). In such cases, the Registrar shall use Demographic Details as given in the Bid cum Application Form instead of those obtained from the depositories.

Bids by Non Residents including NRIs and FIIs on a repatriation basis

Bids and revision to Bids must be made in the following manner:

1. On the Bid cum Application Form or the Revision Form, as applicable (blue in colour), and completed in full in BLOCK LETTERS in ENGLISH in accordance with the instructions contained therein.
2. In a single name or joint names (not more than three and in the same order as their Depository 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 net of bank charges and / or commission. In case of Bidders who remit money through Indian Rupee drafts purchased abroad, such payments in Indian Rupees will be converted into US Dollars or any other freely convertible currency as may be permitted by the RBI at the rate of exchange prevailing at the time of remittance and will be dispatched by registered post or if the Bidders so desire, will be credited to their NRE accounts, details of which should be furnished in the space provided for this purpose in the Bid cum Application Form. The Company will not be responsible for loss, if any, incurred by the Bidder on account of conversion of foreign currency.

As per the existing policy of the Government of India, OCBs are not permitted to participate in the Issue.

There is no reservation for Eligible NRIs and FIIs and all applicants will be treated on the same basis with other categories for the purpose of allocation.

Bids under Power of Attorney

In case of Bids made pursuant to a power of attorney or by limited companies, corporate bodies, registered societies, a certified copy of the power of attorney or the relevant resolution or authority, as the case may be, along with a certified copy of the Memorandum of Association and Articles of Association and/or bye laws must be lodged along with the Bid cum Application Form. Failing this, the Company reserves the right to accept or reject any Bid in whole or in part, in either case, without assigning any reason therefore.

In case of Bids made pursuant to a power of attorney by FIIs, a certified copy of the power of attorney or the relevant resolution or authority, as the case may be, along with a certified copy of their SEBI registration certificate must be lodged along with the Bid cum Application Form. Failing this, the Company reserves the right to accept or reject any Bid in whole or in part, in either case, without assigning any reason therefore.

In case of Bids made by insurance companies registered with the Insurance Regulatory and Development Authority, a certified copy of certificate of registration issued by Insurance Regulatory and Development Authority must be lodged along with the Bid cum Application Form. Failing this, the Company reserves the right to accept or reject any Bid in whole or in part, in either case, without assigning any reason therefore.

In case of Bids made by provident funds with minimum corpus of Rs. 250 million (subject to applicable law) and pension funds with minimum corpus of Rs. 250 million, a certified copy of certificate from a chartered accountant certifying the corpus of the provident fund/ pension fund must be lodged along with the Bid cum Application Form. Failing this, the Company reserves the right to accept or reject any Bid in whole or in part, in either case, without assigning any reason thereof.

In case of Bids made by mutual fund registered with SEBI and venture capital fund registered with SEBI, a certified copy of their SEBI registration certificate must be submitted with the Bid cum Application Form. Failing this, the Company reserves the right to accept or reject any Bid in whole or in part, in either case, without assigning any reason therefore.

The 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 the Company, the GCBRLMs and the BRLMs may deem fit.

PAYMENT INSTRUCTIONS

Escrow Mechanism

The Company and the Members of the Syndicate shall open Escrow Accounts with one or more Escrow Collection Bank(s) in whose favour the Bidders shall make out the cheque or demand draft in respect of his or her Bid and/or revision of the Bid. Cheques or demand drafts received for the full Bid Amount from Bidders in

a certain category would be deposited in the Escrow Account.

The Escrow Collection Banks will act in terms of the Red Herring Prospectus and the Escrow Agreement. The Escrow Collection Bank (s) for and on behalf of the Bidders shall maintain the monies in the Escrow Account until the Designated Date. The Escrow Collection Bank(s) shall not exercise any lien whatsoever over the monies deposited therein and shall hold the monies therein in trust for the Bidders. On the Designated Date, the Escrow Collection Bank(s) shall transfer the funds equivalent to the size of the Issue from the Escrow Account, as per the terms of the Escrow Agreement, into the Public Issue Account with the Banker(s) to the Issue. The balance amount after transfer to the Public Issue Account shall be 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 the Company, the Members of the Syndicate, the Escrow Collection Bank(s) and the Registrar to the Issue to facilitate collections from the 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 allocation/Allotment as per the following terms:

Payment into Escrow Account

1. QIB Bidders, Non-Institutional Bidders and Retail Individual Bidders would be required to pay their applicable Margin Amount at the time of the submission of the Bid cum Application Form. The Margin Amount payable by each category of Bidders is mentioned under the section entitled "Issue Structure" on page 366 of this Prospectus.
2. The Bidders for whom the applicable Margin Amount is equal to 100%, shall, with the submission of the Bid cum Application Form, draw a payment instrument for the Bid Amount in favour of the Escrow Account and submit the same to the members of the Syndicate.
3. In case the above Margin Amount paid by the Bidders during the Bidding Period is less than the Issue Price multiplied by the Equity Shares allocated to the Bidder, the balance amount shall be paid by the Bidders into the Escrow Account within the period specified in the CAN which shall be subject to a minimum period of two days from the date of communication of the allocation list to the members of the Syndicate by the GCBRLMs and the BRLMs. If the payment is not made favouring the Escrow Account within the time stipulated above, the Bid of the Bidder is liable to be cancelled.
4. The payment instruments for payment into the Escrow Account should be drawn in favour of:
 - (a) In case of Resident QIB Bidders: "Escrow Account-Godrej Properties IPO-QIB-R"
 - (b) In case of Non Resident QIB Bidders: "Escrow Account-Godrej Properties IPO-QIB-NR "
 - (c) In case of Resident Retail and Non-Institutional Bidders: "Escrow Account-Godrej Properties IPO-R"
 - (d) In case of Non-Resident Retail and Non-Institutional Bidders: "Escrow Account-Godrej Properties IPO-NR "
5. Anchor Investors would be required to pay the Anchor Investor Margin Amount at the time of submission of the application form by the Anchor Investors and the balance shall be payable within two (2) days of the Bid/ Issue Closing Date. In the event of 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. 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.

6. 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: “Escrow Account-Godrej Properties IPO-Anchor-R ”
 - (b) In case of non-resident Anchor Investors: “Escrow Account-Godrej Properties IPO-Anchor-NR ”
7. In case of Bids by NRIs applying on repatriation basis, the payments must be made through Indian Rupee drafts purchased abroad or cheques or bank drafts, for the amount payable on application remitted through normal banking channels or out of funds held in Non-Resident External (NRE) Accounts or Foreign Currency Non-Resident (FCNR) Accounts, maintained with banks authorised to deal in foreign exchange in India, along with documentary evidence in support of the remittance. Payment will not be accepted out of Non-Resident Ordinary (NRO) Account of Non-Resident Bidder bidding on a repatriation basis. Payment by drafts should be accompanied by bank certificate confirming that the draft has been issued by debiting to NRE Account or FCNR Account. In case of Bids by Eligible NRIs applying on non-repatriation basis, the payments must be made out of NRO account.
8. In case of Bids by NRIs applying on non-repatriation basis, the payments must be made through Indian Rupee Drafts purchased abroad or cheques or bank drafts, for the amount payable on application remitted through normal banking channels or out of funds held in Non-Resident External (NRE) Accounts or Foreign Currency Non-Resident (FCNR) Accounts, maintained with banks 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.
9. 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.
10. The monies deposited in the Escrow Account will be held for the benefit of the Bidders till the Designated Date.
11. 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.
12. On the Designated Date and no later than 15 days from the Bid/Issue Closing Date, the Escrow Collection Bank shall also refund all amounts payable to unsuccessful Bidders and also the excess amount paid on Bidding, if any, after adjusting for allocation/Allotment to the Bidders.
13. Payments should be made by cheque, or demand draft drawn on any Bank (including a Co-operative Bank), which is situated at, and is a member of or sub-member of the bankers’ clearing house located at the centre where the Bid cum Application Form is submitted. Outstation cheques/bank drafts drawn on banks not participating in the clearing process will not be accepted and applications accompanied by such cheques or bank drafts are liable to be rejected. Cash/ Stockinvest/Money Orders/ Postal orders will not be accepted.

Payment by cash/ stockinvest/ money order

Payment through cash/ stockinvest/ money order shall not be accepted in this Issue.

Submission of Bid cum Application Form

All Bid cum Application Forms or Revision Forms duly completed and accompanied by account payee cheques or drafts shall be submitted to the members of the Syndicate at the time of submission of the Bid.

No separate receipts shall be issued for the money payable on the submission of Bid cum Application Form or Revision Form. However, the collection centre of the members of the Syndicate will acknowledge the receipt of the Bid cum Application Forms or Revision Forms by stamping and returning to the Bidder the acknowledgement slip. This acknowledgement slip will serve as the duplicate of the Bid cum Application Form for the records of the Bidder.

OTHER INSTRUCTIONS

Joint Bids in the case of Individuals

Bids may be made in single or joint names (not more than three). In the case of joint Bids, all payments will be made out in favour of the Bidder whose name appears first in the Bid cum Application Form or Revision Form. All communications will be addressed to the First Bidder and will be dispatched to his or her address as per the Demographic Details received from the Depository.

Multiple Bids

A Bidder should submit only one Bid (and not more than one) for the total number of Equity Shares required. Two or more Bids will be deemed to be multiple Bids if the sole or First Bidder is one and the same.

In 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.

The Company reserves the right to reject, in its absolute discretion, all or any multiple Bids in any or all categories. In this regard, the procedures which would be followed by the Registrar to the Issue to detect multiple applications are given below:

1. All applications with the same name and age will be accumulated and taken to a separate process file which would serve as a multiple master.
2. In this master, a check will be carried out for the same PAN. In cases where the PAN is different, the same will be deleted from this master.
3. The Registrar to the Issue will obtain, from the depositories, details of the applicant's address based on the DP ID and Beneficiary Account Number provided in the Bid cum Application Form and create an address master.
4. The addresses of all the applications in the multiple master will be strung from the address master. This involves putting the addresses in a single line after deleting non-alpha and non-numeric characters i.e. commas, full stops, hash etc. Sometimes, the name, the first line of address and pin code will be converted into a string for each application received and a photo match will be carried out amongst all the applications processed. A print-out of the addresses will be taken to check for common names. The applications with same name and same address will be treated as multiple applications.
5. The applications will be scrutinised for DP ID and Beneficiary Account Numbers. In case applications bear the same DP ID and Beneficiary Account Numbers, these will be treated as multiple applications.

6. Subsequent to the aforesaid procedures, a print out of the multiple master will be taken and the applications physically verified to tally signatures as also father's/ husband's names. On completion of this, the applications will be identified as multiple applications.

Permanent Account Number or PAN

The Bidders, or in the case of a Bid in joint names, each of the Bidders, should mention his/ her Permanent Account Number (PAN) allotted under the I.T. Act. 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, the Company in consultation with the GCBRLMs and the BRLMs may reject Bids provided that the reasons for rejecting the same shall be provided to such Bidder in writing. In case of Non-Institutional Bidders, Retail Individual Bidders, the Company has a right to reject Bids based on technical grounds. Consequent refunds shall be made by cheque or pay order or draft and will be sent to the Bidder's address at the Bidder's risk.

Grounds for Technical Rejections

Bidders are advised to note that Bids are liable to be rejected *inter alia* on the following technical grounds:

- Amount paid does not tally with the amount payable for the highest value of Equity Shares bid for;
- Age of First Bidder not given;
- In case of partnership firms, Equity Shares may be registered in the names of the individual partners and no firm as such shall be entitled to apply;
- Bid by persons not competent to contract under the Indian Contract Act, 1872 including minors, insane persons;
- PAN not given;
- GIR number furnished instead of PAN;
- Bids for lower number of Equity Shares than specified for that category of investors;
- Bids at a price less than lower end of the Price Band;
- Bids at a price more than the higher end of the Price Band;
- Bids at Cut Off Price by Non-Institutional and QIB Bidders.
- Bids for number of Equity Shares which are not in multiples of 13;
- 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;
- Signature of sole and / or joint Bidders missing;
- Bid cum Application Forms does not have the stamp of the GCBRLMs or the BRLMs or Syndicate Members;
- Bid cum Application Forms does not have Bidder's depository account details;
- Bid cum Application Forms are not delivered by the Bidders within the time prescribed as per the Bid cum Application Forms, Bid/Issue Opening Date advertisement and the Red Herring Prospectus and as per the instructions in the Red Herring Prospectus and the Bid cum Application Forms;
- In case no corresponding record is available with the Depositories that matches three parameters namely, names of the Bidders (including the order of names of joint holders), the Depository Participant's identity (DP ID) and the beneficiary's account number;
- Bids for amounts greater than the maximum permissible amounts prescribed by the regulations;
- Bids in respect where the Bid cum Application form do not reach the Registrar to the Issue prior to the finalisation of the Basis of Allotment;
- Bids where clear funds are not available in Escrow Accounts as per final certificate from the Escrow Collection Banks;
- Bids by QIBs not submitted through the GCBRLMs, the BRLMs or their affiliates;
- Bids by QIBs not submitted through members of the Syndicate;
- Bids by persons in the United States;
- Bids by any person outside India if not in compliance with applicable foreign and Indian Laws; and
- Bids by persons prohibited from buying, selling or dealing in the shares directly or indirectly by SEBI or any other regulatory authority.

EQUITY SHARES IN DEMATERIALISED FORM WITH NSDL OR CDSL

As per the provisions of Section 68B of the Companies Act, the Allotment of Equity Shares in this Issue shall be only in a de-materialised form, (i.e., not in the form of physical certificates but be fungible and be represented by the statement issued through the electronic mode).

In this context, two agreements have been signed among the Company, the respective Depositories and the Registrar to the Issue:

- Agreement dated March 9, 2006, between NSDL, the Company and the Registrar to the Issue;
- Agreement dated November 3, 2007, between CDSL, the Company and the Registrar to the Issue.

All Bidders can seek allotment only in dematerialised mode. Bids from any Bidder without relevant details of his or her depository account are liable to be rejected.

- (a) A Bidder applying for Equity Shares must have at least one beneficiary account with either of the Depository Participants of either NSDL or CDSL prior to making the Bid.

- (b) The Bidder must necessarily fill in the details (including the Beneficiary Account Number and Depository Participant's identification number) appearing in the Bid cum Application Form or Revision Form.
- (c) Allotment to a successful Bidder will be credited in electronic form directly to the beneficiary account (with the Depository Participant) of the Bidder
- (d) Names in the Bid cum Application Form or Revision Form should be identical to those appearing in the account details in the Depository. In case of joint holders, the names should necessarily be in the same sequence as they appear in the account details in the Depository.
- (e) If incomplete or incorrect details are given under the heading 'Bidders Depository Account Details' in the Bid cum Application Form or Revision Form, it is liable to be rejected.
- (f) The Bidder is responsible for the correctness of his or her Demographic Details given in the Bid cum Application Form vis-à-vis those with his or her Depository Participant.
- (g) Equity Shares in electronic form can be traded only on the stock exchanges having electronic connectivity with NSDL and CDSL. All the Stock Exchanges where the Equity Shares are proposed to be listed have electronic connectivity with CDSL and NSDL.
- (h) The trading of the Equity Shares of the Company would be in dematerialised form only for all investors in the demat segment of the respective Stock Exchanges.

Communications

All future communications in connection with Bids made in this Issue should be addressed to the Registrar to the Issue quoting the full name of the sole or First Bidder, Bid cum Application Form number, Bidders Depository Account Details, number of Equity Shares applied for, date of bid form, name and address of the member of the Syndicate where the Bid was submitted and cheque or draft number and issuing bank thereof and a copy of the acknowledgement slip.

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

PAYMENT OF REFUND

Bidders must note that on the basis of name of the Bidders, Depository Participant's name, DP ID, Beneficiary Account number provided by them in the Bid cum Application Form, the Registrar to the Issue will obtain, from the Depositories, the Bidders' bank account details, including the nine digit Magnetic Ink Character Recognition ("MICR") code as appearing on a cheque leaf. Hence Bidders are advised to immediately update their bank account details as appearing on the records of the Depository Participant. Please note that failure to do so could result in delays in despatch of refund order or refunds through electronic transfer of funds, as applicable, and any such delay shall be at the Bidders' sole risk and neither the Company, the Registrar to the Issue, Escrow Collection Bank(s), Bankers to the Issue nor the GCBRLMs or the BRLMs shall be liable to compensate the Bidders for any losses caused to the Bidder due to any such delay or liable to pay any interest for such delay.

Mode of making refunds

The payment of refund, if any, would be done through various modes in the following order of preference:

1. ECS – Payment of refund would be done through ECS for applicants having an account at any of the centres where such facility has been made available. This mode of payment of refunds would be

- subject to availability of complete bank account details including the MICR code as appearing on a cheque leaf, from the Depositories. The payment of refunds is mandatory for applicants having a bank account at any of the abovementioned fifteen centres, except where the applicant, being eligible, opts to receive refund through direct credit or RTGS.
2. Direct Credit – Applicants having bank accounts with the Refund Banker(s), as mentioned in the Bid cum Application Form, shall be eligible to receive refunds through direct credit. Charges, if any, levied by the Refund Bank(s) for the same would be borne by the Company.
 3. RTGS – Applicants having a bank account at any of the abovementioned fifteen centres and whose refund amount exceeds Rs. 5 million, have the option to receive refund through RTGS. Such eligible applicants who indicate their preference to receive refund through RTGS are required to provide the IFSC code in the Bid cum Application Form. In the event the same is not provided, refund shall be made through ECS. Charges, if any, levied by the Refund Bank(s) for the same would be borne by the Company. Charges, if any, levied by the applicant's bank receiving the credit would be borne by the applicant.
 4. NEFT (National Electronic Fund Transfer) – Payment of refund shall be undertaken through NEFT wherever the applicants' bank has been assigned the Indian Financial System Code (IFSC), which can be linked to a Magnetic Ink Character Recognition (MICR), if any, available to that particular bank branch. IFSC Code will be obtained from the website of RBI as on a date immediately prior to the date of payment of refund, duly mapped with MICR numbers. Wherever the applicants have registered their nine digit MICR number and their bank account number while opening and operating the demat account, the same will be duly mapped with the IFSC Code of that particular bank branch and the payment of refund will be made to the applicants through this method. The process flow in respect of refunds by way of NEFT is at an evolving stage and hence use of NEFT is subject to operational feasibility, cost and process efficiency. The process flow in respect of refunds by way of NEFT is at an evolving stage, hence use of NEFT is subject to operational feasibility, cost and process efficiency. In the event that NEFT is not operationally feasible, the payment of refunds would be made through any one of the other modes as discussed in the sections.
 5. For all other applicants, including those who have not updated their bank particulars with the MICR code, the refund orders will be despatched under certificate of posting for value upto Rs. 1,500 and through Speed Post/ Registered Post for refund orders of Rs. 1,500 and above. Such refunds will be made by cheques, pay orders or demand drafts drawn on the Escrow Collection Banks and payable at par at places where Bids are received. Bank charges, if any, for cashing such cheques, pay orders or demand drafts at other centres will be payable by the Bidders.

DISPOSAL OF APPLICATIONS AND APPLICATION MONEYS AND INTEREST IN CASE OF DELAY

The Company shall ensure dispatch of Allotment advice, refund orders (except for Bidders who receive refunds through electronic transfer of funds) and give benefit to the beneficiary account with Depository Participants and submit the documents pertaining to the Allotment to the Stock Exchanges within two working days of date of Allotment of Equity Shares.

In case of applicants who receive refunds through ECS, direct credit or RTGS, the refund instructions will be given to the clearing system within 15 days from the Bid/ Issue Closing Date. A suitable communication shall be sent to the bidders receiving refunds through this mode within 15 days of Bid/ Closing Date, giving details of the bank where refunds shall be credited along with amount and expected date of electronic credit of refund.

The Company shall use best efforts to ensure that all steps for completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges where the Equity Shares are proposed to be listed, are taken within seven working days of Allotment.

In accordance with the Companies Act, the requirements of the Stock Exchanges and the SEBI Regulations, the

Company further undertakes that:

- Allotment of Equity Shares shall be made only in dematerialised form within 15 days of the Bid/Issue Closing Date;
- Dispatch of refund orders or in a case where the refund or portion thereof is made in electronic manner, the refund instructions are given to the clearing system within 15 days of the Bid/Issue Closing Date would be ensured; and

The Company shall pay interest at 15% per annum for any delay beyond the 15 day time period as mentioned above, if Allotment is not made and refund orders are not dispatched or if, in a case where the refund or portion thereof is made in electronic manner, the refund instructions have not been given to the clearing system in the disclosed manner and/or demat credits are not made to investors within the 15 day time prescribed above as per the guidelines issued by the Government of India, Ministry of Finance.

IMPERSONATION

Attention of the applicants is specifically drawn to the provisions of sub-section (1) of Section 68 A of the Companies Act, which is reproduced below:

“Any person who:

- (a) makes in a fictitious name, an application to a company for acquiring or subscribing for, any shares therein, or*
- (b) otherwise induces a company to allot, or register any transfer of shares, therein to him, or any other person in a fictitious name,*

shall be punishable with imprisonment for a term which may extend to five years.”

BASIS OF ALLOTMENT

A. For Retail Individual Bidders

- Bids received from the Retail Individual Bidders at or above the Issue Price shall be grouped together to determine the total demand under this category. The Allotment to all the successful Retail Individual Bidders will be made at the Issue Price.
- The Issue size less Allotment to Non-Institutional and QIB Bidders shall be available for Allotment to Retail Individual Bidders who have bid in the Issue at a price that is equal to or greater than the Issue Price.
- If the aggregate demand in this category is less than or equal to 2,828,925 Equity Shares at or above the Issue Price, full Allotment shall be made to the Retail Individual Bidders to the extent of their valid Bids.
- If the aggregate demand in this category is greater than 2,828,925 Equity Shares at or above the Issue Price, the Allotment shall be made on a proportionate basis up to a minimum of 13 Equity Shares. For the method of proportionate basis of Allotment, refer below.

B. For Non-Institutional Bidders

- Bids received from Non-Institutional Bidders at or above the Issue Price shall be grouped together to determine the total demand under this category. The Allotment to all successful Non-Institutional Bidders will be made at the Issue Price.

- The Issue size less Allotment to QIBs and Retail Portion shall be available for Allotment to Non-Institutional Bidders who have bid in the Issue at a price that is equal to or greater than the Issue Price.
- If the aggregate demand in this category is less than or equal to 942,975 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 942,975 Equity Shares at or above the Issue Price, Allotment shall be made on a proportionate basis up to a minimum of 13 Equity Shares. For the method of proportionate basis of Allotment refer below.

C. For QIBs

- Bids received from the QIB Bidders at or above the Issue Price shall be grouped together to determine the total demand under this portion. The Allotment to all the QIB Bidders will be made at the Issue Price.
- The QIB Portion shall be available for Allotment to QIB Bidders who have bid in the Issue at a price that is equal to or greater than the Issue Price.
- Allotment shall be undertaken in the following manner:
 - (a) In the first instance allocation to Mutual Funds for 5% of the QIB Portion (excluding Anchor Investor Portion) shall be determined as follows:
 - (i) In the event that Mutual Fund Bids exceeds 5% of the QIB Portion (excluding Anchor Investor Portion), allocation 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 allocated to Mutual Funds shall be available for Allotment to all QIB Bidders as set out in (b) below;
 - (b) In the second instance Allotment to all QIBs shall be determined as follows:
 - (i) In the event that the oversubscription in the QIB Portion, all QIB Bidders who have submitted Bids above the Issue Price shall be allotted Equity Shares on a proportionate basis for up to 95% of the QIB Portion.
 - (ii) Mutual Funds, who have received allocation as per (a) above, for less than the number of Equity Shares Bid for by them, are eligible to receive Equity Shares on a proportionate basis along with other QIB Bidders.
 - (iii) Under-subscription below 5% of the QIB Portion (excluding Anchor Investor Portion), if any, from Mutual Funds, would be included for allocation to the remaining QIB Bidders on a proportionate basis.

- The aggregate Allotment to QIB Bidders shall not be less than 5,657,850 Equity Shares

D. For Anchor Investor Portion

- The Company has allocated 1,697,345 Equity Shares or 30% of the QIB Portion to Anchor Investors at the Anchor Investor Issue Price on a discretionary basis in accordance with SEBI Regulations. Allocation of Equity Shares to Anchor Investors at the Anchor Investor Issue Price will be at the discretion of the Company, in consultation with the GCBRLMs 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 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 and the Anchor Investor Issue Price, shall be made available in the public domain by the GCBRLMs and the BRLMs before the Bid Opening Date by intimating the stock exchanges and uploading the said details on the websites of the BRLMs and on the terminals of the Syndicate Members.

Method of Proportionate Basis of Allotment in the Issue

In the event of the Issue being over-subscribed, the 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 GCBRLMs, the BRLMs and the Registrar to the Issue shall be responsible for ensuring that the basis of Allotment is finalised in a fair and proper manner.

The Allotment shall be made in marketable lots, on a proportionate basis as explained below:

- Bidders will be categorised according to the number of Equity Shares applied for.
- The total number of Equity Shares to be allotted to each category as a whole shall be arrived at on a proportionate basis, which is the total number of Equity Shares applied for in that category (number of Bidders in the category multiplied by the number of Equity Shares applied for) multiplied by the inverse of the over-subscription ratio.
- Number of Equity Shares to be allotted to the successful Bidders will be arrived at on a proportionate basis, which is total number of Equity Shares applied for by each Bidder in that category multiplied by the inverse of the over-subscription ratio.
- In all Bids where the proportionate Allotment is less than 13 Equity Shares per Bidder, the Allotment shall be made as follows:
 - The successful Bidders out of the total Bidders for a category shall be determined by draw of lots in a manner such that the total number of Equity Shares allotted in that category is equal to the number of Equity Shares calculated in accordance with (b) above; and
 - Each successful Bidder shall be allotted a minimum of 13 Equity Shares.

- e) If the proportionate Allotment to a Bidder is a number that is more than 13 but is not a multiple of 1 (which is the marketable lot), the decimal would be rounded off to the higher whole number if that decimal is 0.5 or higher. If that number is lower than 0.5 it would be rounded off to the lower whole number. Allotment to all in such categories would be arrived at after such rounding off.
- f) If the Equity Shares allocated on a proportionate basis to any category are more than the Equity Shares allotted to the Bidders in that category, the remaining Equity Shares available for Allotment shall be first adjusted against any other category, where the allotted shares are not sufficient for proportionate Allotment to the successful Bidders in that category. The balance Equity Shares, if any, remaining after such adjustment will be added to the category comprising Bidders applying for minimum number of Equity Shares.
- g) Subject to valid Bids being received, allocation of Equity Shares to Anchor Investors shall be at the sole discretion of the Company, in consultation with the GCBRLMs and the BRLMs.

Illustration of Allotment to QIBs and Mutual Funds (“MF”)

A. Issue Details

Sr. No.	Particulars	Issue details
1.	Issue size	200 million Equity Shares
2.	Allocation to QIB (60%)	120 million Equity Shares
3.	Anchor Investor Portion	36 million Equity Shares
4.	Portion available to QIBs other than Anchor Investors [(2) minus (3)]	84 million Equity Shares
	Of which:	
	a. Allocation to MF (5%)	4.20 million Equity Shares
	b. Balance for all QIBs including MFs	79.8 million Equity Shares
3	No. of QIB applicants	10
4	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 4.20 million Equity Shares to MF proportionately (please see note 2 below)	Allocation of balance 79.80 million Equity Shares to QIBs proportionately (please see note 4 below)	Aggregate allocation to MFs
(I)	(II)	(III)	(IV)	(V)
A1	50	0	7.98	0
A2	20	0	4.00	0
A3	130	0	20.74	0
A4	50	0	7.98	0
A5	50	0	7.98	0
MF1	40	0.84	6.38	7.22
MF2	40	0.84	6.38	7.22
MF3	80	1.68	12.76	14.44
MF4	20	0.42	3.19	3.61
MF5	20	0.42	3.19	3.61
	500	4.20	79.80	36.10

Please note:

- The illustration presumes compliance with the requirements specified in the section titled “Issue Structure” beginning on page 366 of the Prospectus.
- Out of 84 million Equity Shares allocated to QIBs, 4.2 million (i.e. 5%) will be allocated on proportionate basis among 5 Mutual Fund applicants who applied for 200 shares in QIB category.
- The balance 79.80 million Equity Shares (i.e. 84 - 4.2 (available for MFs)) will be allocated on proportionate basis among 10 QIB applicants who applied for 500 Equity Shares (including 5 MF applicants who applied for 200 Equity Shares).
- The figures in the fourth column titled “Allocation of balance 79.80 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 79.80 / 495.80.
 - 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 79.80 / 495.80.
 - The numerator and denominator for arriving at allocation of 84 million shares to the 10 QIBs are reduced by 4.2 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

The Company shall give credit to the beneficiary account with depository participants within two working days from the date of the finalisation of basis of allotment. Applicants residing at the centres where clearing houses are managed by the RBI, will get refunds through ECS only except where applicant is otherwise disclosed as eligible to get refunds through direct credit and RTGS. The Company shall ensure dispatch of refund orders, if any, of value up to Rs. 1,500, by “Under Certificate of Posting”, and shall dispatch refund orders above Rs. 1,500, if any, by registered post or speed post at the sole or first Bidder’s sole risk within 15 days of the Bid/Issue Closing Date. Applicants to whom refunds are made through electronic transfer of funds will be sent a

letter through ordinary post, intimating them about the mode of credit of refund within fifteen days of closure of Bid / Issue.

Interest in case of delay in despatch of Allotment Letters or Refund Orders/ instruction to SCSB by the Registrar

The Company agrees that the allotment of Equity Shares in the Issue shall be made not later than 15 days of the Bid/ Issue Closing Date. The Company further agrees that it shall pay interest at the rate of 15% per annum 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 15 days from the Bid/ Issue Closing Date.

The Company will provide adequate funds required for dispatch of refund orders or allotment advice to the Registrar to the Issue.

Refunds will be made by cheques, pay-orders or demand drafts drawn on a bank appointed by the 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

The Company undertakes the following:

- That the complaints received in respect of this Issue shall be attended to by the 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 seven working days of finalisation of the basis of Allotment;
- That funds required for making refunds to unsuccessful applicants as per the mode(s) disclosed shall be made available to the Registrar to the Issue by the Issuer;
- That where refunds are made through electronic transfer of funds, a suitable communication shall be sent to the applicant within 15 days of the Bid/ Issue Closing Date, as the case may be, giving details of the bank where refunds shall be credited along with amount and expected date of electronic credit of refund;
- That the Promoters' contribution in full has already been brought in;
- That the certificates of the securities/ refund orders to the non-resident Indians 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 Applications Supported by Blocked Amount and to consider them similar to non-ASBA applications while finalizing the basis of allotment

The Company shall not have recourse to the Issue proceeds until the approval for trading of the Equity Shares from all the Stock Exchanges where listing is sought has been received.

Withdrawal of the Issue

The Company, in consultation with the GCBRLMs 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 the 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. The 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 the Company shall be in compliance with applicable laws.

Utilisation of Issue proceeds

Our Board of Directors certify that:

- All monies received out of the Issue shall be credited/transferred to a separate bank account other than the bank account referred to in sub-section (3) of Section 73 of the Companies Act;
- Details of all monies utilised out of Issue shall be disclosed, 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;

ISSUE PROCEDURE FOR ASBA BIDDERS

This section is for the information of investors proposing to subscribe to the Issue through the ASBA process. The Company, the GCBRLMs and the BRLMs are not liable for any amendments, modifications, or changes in applicable laws or regulations, which may occur after the date of this Prospectus. ASBA Bidders are advised to make their independent investigations and to ensure that the ASBA Bid cum Application Form is correctly filled up, as described in this section.

The list of banks who 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 SCSB collecting the ASBA Bid cum Application Form, please refer the above mentioned SEBI link.

ASBA Process

A Resident Retail Individual Investor shall submit his Bid through an ASBA Bid cum Application Form, either in physical or electronic mode, to the SCSB with whom the bank account of the ASBA Bidder or bank account utilised by the ASBA Bidder (“**ASBA Account**”) is maintained. The SCSB shall block an amount equal to the Bid Amount in the bank account specified in the ASBA Bid cum Application Form, physical or electronic, on the basis of an authorisation to this effect given by the account holder at the time of submitting the Bid. The Bid Amount shall remain blocked in the aforesaid ASBA Account until finalisation of the Basis of Allotment in the Issue and consequent transfer of the Bid Amount against the allocated shares to the ASBA Public Issue Account, or until withdrawal/failure of the Issue or until withdrawal/rejection of the ASBA Bid, as the case may be. The ASBA data shall thereafter be uploaded by the SCSB in the electronic IPO system of the Stock Exchanges. Once the Basis of Allotment is finalized, the Registrar to the Issue shall send an appropriate request to the Controlling Branch of the SCSB for unblocking the relevant bank accounts and for transferring the amount allocable to the successful ASBA Bidders to the ASBA Public Issue Account. In case of withdrawal/failure of the Issue, the blocked amount shall be unblocked on receipt of such information from the GCBRLMs and the BRLMs.

ASBA Bid cum Application Form

ASBA Bidders shall use the ASBA Bid cum Application Form bearing the code of the Syndicate Member and/or the Designated Branch of SCSB, as the case may be, for the purpose of making a Bid in terms of the Red

Herring Prospectus. ASBA Bidders are required to submit their Bids, either in physical or electronic mode. In case of application in physical mode, the ASBA Bidder shall submit the ASBA Bid cum Application form at the Designated Branch of the SCSB. In case of application in electronic form, the ASBA Bidder shall submit the ASBA Bid cum Application Form either through the internet banking facility available with the SCSB, or such other electronically enabled mechanism for bidding and blocking funds in the ASBA account held with SCSB, and accordingly registering such Bids. The ASBA Bidders can submit only one Bid option in the ASBA Bid cum Application Form which shall be at Cut-off Price.

Upon the allocation of Equity Shares, dispatch of the CAN, and filing of the Prospectus with the RoC, the ASBA Bid cum Application Form shall be considered as the Application Form. Upon completing and submitting the ASBA Bid cum Application Form to the Designated Branch of the SCSB, the ASBA Bidder is deemed to have authorized the 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 ASBA Bidder.

The prescribed colour of the ASBA Bid cum Application Form shall be white.

Who can Bid?

In accordance with the SEBI Regulations, only Resident Retail Individual Investor can submit their application through ASBA process to bid for the Equity Shares of the Company.

Maximum and Minimum Bid Size for ASBA Bidders

The ASBA Bid must be for a minimum of 13 Equity Shares and in multiples of 13 Equity Shares thereafter. The maximum ASBA Bid cannot exceed 195 Equity Shares in order to ensure that the total Bid Amount blocked in respect of the ASBA Bidder does not exceed Rs. 100,000. The ASBA Bidders shall bid only at the Cut-off Price indicating their agreement to Bid and purchase Equity Shares at the final Issue Price as determined at the end of the Book Building Process.

Information for the ASBA Bidders:

- (a) The GCBRLMs and the BRLMs shall ensure that adequate arrangements are made to circulate copies of the Red Herring Prospectus and ASBA Bid cum Application Form to the SCSBs and the SCSBs will then make available such copies to investors applying under the ASBA process. Additionally, the GCBRLMs and the BRLMs shall ensure that the SCSBs are provided with soft copies of the abridged prospectus and the ASBA Bid cum Application Form. SCSBs shall make the same available on their websites.
- (b) ASBA Bidders, under the ASBA process, who would like to obtain the Red Herring Prospectus and/or the ASBA Bid cum Application Form can obtain the same from the Designated Branches of the SCSBs or the GCBRLMs or the BRLMs. ASBA Bidders can also obtain a copy of the abridged prospectus and/or the ASBA Bid cum Application Form in electronic form on the websites of the SCSBs.
- (c) The Bids should be submitted on the prescribed ASBA Bid cum Application Form if applied in physical mode. SCSBs may provide the electronic mode of Bidding either through an internet enabled bidding and banking facility or such other secured, electronically enabled mechanism for bidding and blocking funds in the accounts of the respective eligible investors.
- (d) ASBA Bid cum Application Forms should bear the code of the Syndicate Member and/or Designated Branch of the SCSB.
- (e) ASBA Bidders shall bid for Equity Shares only at the Cut-off Price, with a single bid option as to the number of Equity Shares.

- (f) ASBA Bidders shall correctly mention the bank account number in the ASBA Bid cum Application Form and ensure that funds equal to the Bid Amount are available in the bank account maintained with the SCSB before submitting the ASBA Bid cum Application Form to the respective Designated Branch.
- (g) If the ASBA Account holder is different from the ASBA Bidder, the ASBA Bid cum Application Form should be signed by the account holder as provided in the ASBA Bid cum Application Form.
- (h) ASBA Bidders shall correctly mention their DP ID and Client ID in the ASBA Bid cum Application Form. For the purpose of evaluating the validity of Bids, the demographic details of ASBA Bidders shall be derived from the DP ID and Client ID mentioned in the ASBA Bid cum Application Form.
- (i) ASBA Bidders shall not be allowed to revise their Bid and shall not bid under any reserved category.

Method and Process of Bidding

- (a) ASBA Bidders are required to submit their Bids, either in physical or electronic mode. ASBA Bidders submitting their Bids in physical mode should approach the Designated Branches of the SCSBs. ASBA Bidders submitting their Bids in electronic form shall submit their Bids either using the internet enabled bidding and banking facility of the SCSBs or such other electronically enabled mechanism for bidding and blocking funds in the accounts of the respective eligible investors, and accordingly registering such Bids. Every Designated Branch of the SCSB shall accept Bids from all such investors who hold accounts with them and desire to place Bids through them. Such SCSBs shall have the right to vet the Bids, subject to the terms of the SEBI Regulations and Red Herring Prospectus.
- (b) The Designated Branches of the SCSBs shall give an acknowledgment specifying the application number to the ASBA Bidders as a proof of acceptance of the ASBA Bid cum Application Form. Such acknowledgment does not in any manner guarantee that the Equity Shares bid for shall be Allocated to the ASBA Bidders.
- (c) Each ASBA Bid cum Application Form will give the ASBA Bidder only one option to bid for the Equity Shares at the Cut-off Price i.e. at the cap price of the Price Band and specify the demand (i.e. the number of Equity Shares bid for) in such option. After determination of the Issue Price, the number of Equity Shares bid for by the ASBA Bidder at the Cut-off Price will be considered for allocation along with the Non-ASBA Retail Bidders who have bid for Equity Shares at or above the Issue Price or at Cut-off Price.
- (d) 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.
- (e) 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.
- (f) 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. The Designated Branch shall thereafter enter the Bid details from the prescribed ASBA Bid cum Application Form, if submitted in physical mode, or the Bid information submitted through the electronic mode made available by the SCSBs, as the case may be, into the electronic bidding system of the Stock Exchanges and generate a Transaction Registration Slip ("TRS"). The TRS shall be furnished to the ASBA Bidder on request.
- (g) An ASBA Bidder cannot bid, either in physical or electronic mode, on another ASBA Bid cum Application Form or a non-ASBA Bid cum Application Form after bidding on one ASBA Bid cum Application Form, either in physical or electronic mode, has been submitted to the Designated Branches of SCSBs or uploaded by the ASBA Bidder, as the case may be. Submission of a second

ASBA Bid cum Application Form or a Non-ASBA Bid cum Application Form to either the same or to another Designated Branch of the SCSB will be treated as multiple Bids and will be 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. **ASBA Bidders are cautioned that Bids for Equity Shares made in the Issue through the ASBA Bid cum Application Form cannot be revised.**

Bidding

- (a) The Price Band and the minimum Bid Lot size for the Issue will be decided by the Company in consultation with the GCBRLMs and the BRLMs and advertised in all editions of Economic Times in the English language, Mumbai and Delhi edition of Navbharat Times in the Hindi language and Mumbai edition of Maharashtra Times in the Marathi language. The ASBA Bidders can submit only one Bid in the ASBA Bid cum Application Form, that is, at Cut-off Price with single option as to the number of Equity Shares.
- (b) The Company, in consultation with the GCBRLMs and the BRLMs, reserves the right to revise the Price Band during the Bidding/ 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 (2) days prior to the Bid/ Issue Opening Date and the Cap Price will be revised accordingly.
- (c) In case of revision in the Price Band, the Bid/Issue Period will be extended for three additional days after revision of Price Band subject to a maximum of 10 working days. Any revision in the Price Band and the revised Bid/Issue Period, if applicable, will be widely disseminated by notification to the BSE and the NSE, by issuing a public notice in two national newspapers (one each in English and Hindi) and also by indicating the change on the websites of the GCBRLMs, the BRLMs, SCSBs and at the terminals of the members of the Syndicate.
- (d) The Company in consultation with the GCBRLMs and the BRLMs, can finalise the Issue Price within the Price Band in accordance with this clause, without the prior approval of, or intimation to, the ASBA Bidders.
- (e) ASBA Bidders agree that they shall purchase the Equity Shares at any price within the Price Band. In the event the Bid Amount is higher than the subscription amount payable, the ASBA Account shall be unblocked to the extent to such excess of Bid Amount over the subscription amount payable.
- (f) In case of an upward revision in the Price Band, announced as above, the number of Equity Shares bid for shall be adjusted downwards (to the previous multiple lot) for the purpose of allotment, such that no additional amount is required to be blocked in the ASBA Account and the ASBA Bidder is deemed to have approved such revised Bid at Cut-off Price.

Mode of Payment

Upon submission of an ASBA Bid cum Application Form with the SCSB, whether in physical or electronic mode, each ASBA Bidder shall be deemed to have agreed to block the entire Bid Amount and authorized the Designated Branch of the SCSB to block the Bid Amount, in the bank account maintained with the SCSB.

Bid Amount paid in cash, by money order or by postal order or by stockinvest, or ASBA Bid cum Application Form accompanied by cash, draft, money order, postal order or any mode of payment other than blocked amounts in the SCSB bank accounts, shall not be accepted.

After verifying that 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 till the Designated Date. On the Designated Date, the SCSBs shall transfer the amounts allocable to the ASBA Bidders from the respective

ASBA Account, in terms of the SEBI Regulations, into the ASBA Public Issue Account. The balance amount, if any against the said Bid in the ASBA Accounts shall then be unblocked by the SCSBs on the basis of the instructions issued in this regard by the Registrar to the Issue.

The entire Bid Amount, as per the ASBA Bid cum Application Form submitted by the respective ASBA Bidders, would be required to be blocked in the respective ASBA Accounts until finalisation of the Basis of Allotment in the Issue and consequent transfer of the Bid Amount against allocated shares to the ASBA Public Issue Account, or until withdrawal/failure of the Issue or until rejection of the ASBA Bid, as the case may be.

Electronic registration of Bids by SCSBs

- (a) In case of ASBA Bid cum Application Forms, whether in physical or electronic mode, the Designated Branch of the SCSBs will register the Bids using the online facilities of the Stock Exchanges. SCSB shall not upload any ASBA Application Form in the electronic bidding system of the Stock Exchange(s) unless
 - (i) it has received the ASBA in a physical or electronic form; and
 - (ii) it has blocked the application money in the ASBA Account specified in the ASBA or has systems to ensure that Electronic ASBAs are accepted in the system only after blocking of application money in the relevant bank account opened with it.
- (b) The Stock Exchanges offer a screen-based facility for registering Bids for the Issue which will be available on the terminals of Designated Branches during the Bid/Issue Period. The Designated Branches can also set up facilities for offline electronic registration of Bids subject to the condition that they will subsequently upload the offline data file into the online facilities for book building on a regular basis. On the Bid/Issue Closing Date, the Designated Branches of the SCSBs shall upload the Bids till such time as may be permitted by the Stock Exchanges. ASBA Bidders are cautioned that high inflow of Bids typically received on the last day of the bidding may lead to some Bids received on the last day not being uploaded due to lack of sufficient uploading time, and such Bids that are not uploaded may not be considered for allocation.
- (c) The aggregate demand and price for Bids registered on the electronic facilities of the Stock Exchanges will be displayed online on the websites of the Stock Exchanges. A graphical representation of consolidated demand and price would be made available on the websites of the Stock Exchanges during the Bidding Period.
- (d) At the time of registering each Bid, the Designated Branches of the SCSBs shall enter the information pertaining to the investor into the online system, including the following details:
 - Name of the Bidder(s);
 - Application Number;
 - Permanent Account Number;
 - Number of Equity Shares Bid for;
 - Depository Participant identification No.; and
 - Client identification No. of the Bidder's beneficiary account.
 1. In case of electronic ASBA, the ASBA Bidder shall himself fill in all the above mentioned details, except the application number which shall be system generated. The SCSBs shall thereafter upload all the abovementioned details in the electronic bidding system provided by the Stock Exchange(s).
- (e) A system generated TRS will be given to the ASBA Bidder upon request as proof of the registration of the Bid. **It is the ASBA Bidder's responsibility to obtain the TRS from the Designated Branches of the SCSBs.** The registration of the Bid by the Designated Branch of the SCSB does not guarantee that the Equity Shares bid for shall be Allocated to the ASBA Bidders.

- (f) Such TRS will be non-negotiable and by itself will not create any obligation of any kind.
- (g) It is to be distinctly understood that 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 the Company or the GCBRLMs or the BRLMs or the Designated Branches of the SCSBs are cleared or approved by the Stock Exchanges; nor does it in any manner warrant, certify or endorse the correctness or completeness of compliance with the statutory and other requirements; nor does it take any responsibility for the financial or other soundness of the Company, its management or any scheme or project of the Company.
- (h) The SCSB may reject the ASBA Bid, if the ASBA Account maintained with the SCSB as mentioned in the ASBA Bid cum Application Form does not have sufficient funds equivalent to the Bid Amount. Subsequent to the acceptance of the Bid by the Designated Branch, the Company would have a right to reject the Bids only on technical grounds.
- (i) Only Bids that are uploaded on the online IPO system of the Stock Exchanges shall be considered for allocation/Allotment. In case of discrepancy of data between the BSE or NSE and the Designated Branches of the SCSBs, the decision of the Registrar, based on the physical records of the ASBA Bid cum Application Forms shall be final and binding on all concerned.

Build up of the book and revision of Bids

- (a) Bids registered through the Designated Branches of the SCSBs shall be electronically transmitted to the BSE or the NSE mainframe on a regular basis.
- (b) The book gets built up at various price levels. This information will be available with the GCBRLMs, the BRLMs and the Stock Exchanges on a regular basis.
- (c) ASBA Bidders shall not revise their Bids.
- (d) The SCSBs shall provide aggregate information about the numbers of ASBA Bid cum Application Forms uploaded, total number of Equity Shares and total amount blocked against the uploaded ASBA Bid cum Application Form and other information pertaining to the ASBA Bidders. The Registrar to the Issue shall reconcile the electronic data received from the Stock Exchanges and the information received from the SCSBs. In the event of any error or discrepancy, the Registrar to the Issue shall inform the SCSB of the same. The SCSB shall be responsible to provide the rectified data within the time stipulated by the Registrar to the Issue.
- (e) Only Bids that are uploaded on the online IPO system of the BSE and NSE shall be considered for allocation/ Allotment.

Price Discovery and Allocation

After the Bid/Issue Closing Date, the Registrar to the Issue shall aggregate the demand generated under the ASBA process and which details are provided to them by the SCSBs with the Retail Individual Investor applied under the non ASBA process to determine the demand generated at different price levels. For further details, refer to the section titled "Issue Procedure" beginning on page 370 of this Prospectus.

Advertisement regarding Issue Price and Prospectus

We will issue a statutory advertisement after the filing of the Prospectus with the RoC. This advertisement, in addition to the information that has to be set out in the statutory advertisement, shall indicate the 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.

Issuance of CAN

- (a) Upon approval of the Basis of Allotment by the Designated Stock Exchange, the Registrar to the Issue shall send to the Controlling Branches of the SCSBs, a list of the ASBA Bidders who have been allocated Equity Shares in the Issue. Investors should note that the Company shall endeavour to ensure that the demat credit of Equity Shares pursuant to Allotment shall be made on the same date to all investors in this Issue; and
- (b) The ASBA Bidders shall directly receive the CAN from the Registrar. The dispatch of a CAN shall be deemed a valid, binding and irrevocable contract for the ASBA Bidder.

Unblocking of ASBA Account

On the basis of instructions from the Registrar to the Issue, the SCSBs shall transfer the requisite amount against each successful ASBA Bidder to the ASBA Public Issue Account and shall unblock excess amount, if any in the ASBA Account. However, the Bid Amount may be unblocked in the ASBA Account prior to receipt of intimation from the Registrar to the Issue by the Controlling Branch of the SCSB regarding finalisation of the Basis of Allotment in the Issue, in the event of withdrawal/failure of the Issue or rejection of the ASBA Bid, as the case may be.

Allotment of Equity Shares

- (a) The Company will ensure that the Allotment of Equity Shares is done within 15 days of the Bid/Issue Closing Date. After the funds are transferred from the bank account of the ASBA Bidders to the ASBA Public Issue Account on the Designated Date, to the extent applicable, the Company would ensure the credit of the Allotted Equity Shares to the depository accounts of all successful ASBA Bidders' within two working days from the date of Allotment.
- (b) Equity Shares will be issued, transferred and allotted only in the dematerialised form to the Allottees. Allottees will have the option to re-materialise the Equity Shares so Allotted, if they so desire, as per the provisions of the applicable law.

GENERAL INSTRUCTIONS

Do's:

- (a) Check if you are a Resident Retail Individual Investor and eligible to Bid under ASBA process.
- (b) Ensure that you use the ASBA Bid cum Application Form specified for the purposes of ASBA process.
- (c) Read all the instructions carefully and complete the ASBA Bid cum Application Form (if the Bid is submitted in physical mode, the prescribed ASBA Bid cum Application Form is white in colour).
- (d) Ensure that your Bid is at the Cut-off Price.
- (e) Ensure that you have mentioned only one Bid option with respect to the number of Equity Shares in the ASBA Bid cum Application Form.
- (f) Ensure that the details of your Depository Participant and beneficiary account are correct and that your beneficiary account is activated, as Equity Shares will be Allotted in dematerialised form only.
- (g) Ensure that your Bid is submitted at a Designated Branch of an SCSB, with a branch of which the ASBA Bidder or a person whose bank account will be utilized by the ASBA Bidder for bidding has a bank account and not to the Bankers to the Issue/Collecting Banks (assuming that such Collecting Bank is not a SCSB), to the Company or Registrar or Lead Manager to the Issue.

- (h) Ensure that the ASBA Bid cum Application Form is signed by the account holder in case the applicant is not the account holder.
- (i) Ensure that you have mentioned the correct bank account No. in the ASBA Bid cum Application Form.
- (j) Ensure that you have funds equal to the number of Equity Shares Bid for at Cut-off Price available in the ASBA Account maintained with the SCSB before submitting the ASBA Bid cum Application Form to the respective Designated Branch of the SCSB.
- (k) Ensure that you have correctly checked the authorisation box in the ASBA Bid cum Application Form, or have otherwise provided an authorisation to the SCSB via the electronic mode, for the Designated Branch to block funds equivalent to the Bid Amount mentioned in the ASBA Bid cum Application Form in your ASBA Account maintained with a branch of the concerned SCSB.
- (l) Ensure that you receive an acknowledgement from the Designated Branch of the concerned SCSB for the submission of your ASBA Bid cum Application Form.
- (m) Ensure that you have mentioned your Permanent Account Number ("PAN") allotted under the I.T. Act.
- (n) Ensure that the name(s) and PAN given in the ASBA Bid cum Application Form is exactly the same as the name(s) and PAN in which the beneficiary account is held with the Depository Participant. In case the ASBA Bid 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 ASBA Bid cum Application Form.
- (o) Ensure that the demographic details are updated, true and correct, in all respects.

Don'ts:

- (a) Do not submit an ASBA Bid if you are not a Resident Retail Individual Investor.
- (b) Do not submit an ASBA Bid if you are applying under any reserved category.
- (c) Do not revise your Bid.
- (d) Do not Bid for lower than the minimum Bid size.
- (e) Do not Bid on another ASBA or Non-ASBA Bid cum Application Form after you have submitted a Bid to a Designated Branch of the SCSB.
- (f) Payment of Bid Amounts in any mode other than blocked amounts in the bank accounts maintained by SCSBs, shall not be accepted under the ASBA process.
- (g) Do not send your physical ASBA Bid cum Application Form by post; instead submit the same to a Designated Branch of the SCSB only.
- (h) Do not fill up the ASBA Bid cum Application Form such that the bid amount against the number of Equity Shares Bid for exceeds Rs. 100,000.
- (i) Do not submit the GIR number instead of the PAN Number.
- (j) Do not instruct your respective banks to release the funds blocked in the bank account under the ASBA process.

Bids by ASBA Bidders must be:

- (a) Made only in the prescribed ASBA Bid cum Application Form, which is white in colour if submitted in physical mode, or electronic mode.
- (b) In single name or in joint names (not more than three, and in the same order as their Depository Participant details).
- (c) Completed in full, in BLOCK LETTERS in ENGLISH and in accordance with the instructions contained herein, in the ASBA Bid cum Application Form.
- (d) The Bids must be for a minimum of 13 Equity Shares and in multiples of 13 Equity Shares thereafter subject to a maximum of 195 Equity Shares such that the Bid Amount does not exceed Rs. 100,000.
- (e) Thumb impressions and signatures other than in the languages specified in the Eighth Schedule in the Constitution of India must be attested by a Magistrate or a Notary Public or a Special Executive Magistrate under official seal.

ASBA Bidder's depository account and bank details

ALL ASBA BIDDERS SHALL RECEIVE THE EQUITY SHARES ALLOTTED TO THEM IN DEMATERIALISED FORM. ALL ASBA BIDDERS SHOULD MENTION THEIR DEPOSITORY PARTICIPANT'S NAME, DEPOSITORY PARTICIPANT IDENTIFICATION NUMBER, BENEFICIARY ACCOUNT NUMBER AND PAN IN THE ASBA BID CUM APPLICATION FORM. ASBA BIDDERS MUST ENSURE THAT THE NAME GIVEN IN THE ASBA BID CUM APPLICATION FORM IS EXACTLY THE SAME AS THE NAME IN WHICH THE DEPOSITORY ACCOUNT IS HELD. ADDITIONALLY, PAN IN THE ASBA BID CUM APPLICATION FORM SHOULD BE EXACTLY THE SAME AS PROVIDED WHILE DEPOSITORY ACCOUNT. IN CASE THE ASBA 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 ASBA BID CUM APPLICATION FORM.

ASBA Bidders should note that on the basis of name of the ASBA Bidders, PAN, Depository Participant's name and identification number and beneficiary account number provided by them in the ASBA Bid cum Application Form, the Registrar to the Issue will obtain from the Depository, demographic details of the ASBA Bidders including address, ("Demographic Details"). Hence, ASBA Bidders should carefully fill in their Depository Account details in the ASBA Bid cum Application Form.

As these Demographic Details would be used for all correspondence with the ASBA Bidders they are advised to update their Demographic Details as provided to their Depository Participants.

By signing the ASBA Bid cum Application Form, the ASBA Bidder is deemed to have authorised the Depositories to provide, upon request, to the Registrar to the Issue, the required Demographic Details as available on its records.

CAN/Allocation advice and letters intimating unblocking of bank account of the respective ASBA Bidder would be mailed at the address of the ASBA Bidder as per the Demographic Details received from the Depositories. ASBA Bidders may note that delivery of CAN/Allocation advice or letters intimating unblocking of bank account may be delayed if the same once sent to the address obtained from the Depositories are returned undelivered. Note that any such delay shall be at the sole risk of the ASBA Bidders and neither of the Designated Branches of the SCSBs, the members of the Syndicate, or the Company shall be liable to compensate the ASBA Bidder for any losses caused to the ASBA Bidder due to any such delay or be liable to pay any interest for such delay.

In case no corresponding record is available with the Depositories that matches three parameters, namely, names of the ASBA Bidders (including the order of names of joint holders), the DP ID and the beneficiary account number, then such Bids are liable to be rejected.

ASBA Bidders are required to ensure that the beneficiary account is activated, as Equity Shares will be Allotted in dematerialised form only.

Payment mechanism under ASBA

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 application money in the bank account specified in the 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 the Issue to unblock the Bid Amount.

In the event of withdrawal or rejection of Bid cum Application Form or for unsuccessful Bid cum Application Forms, the Registrar to the Issue shall give instructions to the Controlling Branch of the SCSB to unblock the application money in the relevant bank account. 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 ASBA Public Issue Account, or until withdrawal/failure of the Issue or until rejection of the ASBA Bid, as the case may be.

ASBA Bids under Power of Attorney

In case of ASBA Bids made pursuant to a power of attorney, a certified copy of the power of attorney must be lodged along with the ASBA Bid cum Application Form. Failing this, the Company, in consultation with the GCBRLMs and the BRLMs, reserves the right to reject such ASBA Bids.

The Company, in its absolute discretion, reserves the right to relax the above condition of simultaneous lodging of the power of attorney along with the ASBA Bid cum Application Form, subject to such terms and conditions that the Company, in consultation with the GCBRLMs and the BRLMs may deem fit.

OTHER INSTRUCTIONS

Withdrawal of ASBA Bids

In case an ASBA Bidder wants to withdraw the ASBA Bid cum Application Form during the Bid/Issue Period, the ASBA Bidder shall submit the withdrawal request to the SCSB, which shall do the necessary, including deletion of details of the withdrawn ASBA from the electronic bidding system of the Stock Exchange(s) and unblocking of funds in the relevant bank account.

In case an ASBA Bidder wants to withdraw the ASBA cum Application Form after the Bid Closing date, the ASBA Bidder shall submit the withdrawal request to the Registrar to the Issue before finalization of Basis of Allotment. The Registrar to the Issue shall delete the withdrawn Bid from the Bid file. The instruction for and unblocking of funds in the relevant bank account, in such withdrawals, shall be forwarded by the Registrar to the Issue to the SCSB on finalization of the Basis of Allotment.

Joint ASBA Bids

ASBA Bids may be made in single or joint names (not more than three). In case of joint ASBA Bids, all communication will be addressed to the first Bidder and will be dispatched to his address.

Multiple ASBA Bids

An ASBA Bidder should submit only one Bid for the total number of Equity Shares desired. Two or more Bids will be deemed to be multiple Bids if the sole or first Bidder is one and the same. In this regard, the procedures which would be followed by the Registrar to the Issue to detect multiple applications are described in “Issue Procedure - Multiple Bids” on page 387 of Prospectus.

Permanent Account Number

For details, see the section titled “Permanent Account Number or PAN” on page 388 of this Prospectus.

Right to Reject 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 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, the Company would have a right to reject the ASBA Bids only on technical grounds.

Further, in case any DP ID, Client ID or PAN mentioned in the ASBA Bid cum Application Form does not match with one available in the depository’s database, such ASBA Bid shall be rejected by the Registrar to the Issue.

GROUND FOR TECHNICAL REJECTIONS UNDER THE ASBA PROCESS

In addition to the grounds listed under “Grounds for Technical Rejections” on page 388 of this Prospectus, applications under the ASBA process are liable to be rejected on, *inter alia*, the following technical grounds:

1. Amount mentioned in the ASBA Bid cum Application Form does not tally with the amount payable for the value of Equity Shares Bid for;
2. Bids at a price other than at the Cut-off Price;
3. Age of first Bidder not given;
4. Bid made by categories of investors other than Resident Retail Individual Investors;
5. Bids by persons not competent to contract under the Indian Contract Act, 1872, including minors and persons of unsound mind;
6. Authorisation for blocking funds in the ASBA Bidder’s bank account not ticked or provided;
7. ASBA Bids accompanied by stockinvest/ money order/ postal order/ cash;
8. Signature of sole and/or joint Bidders missing in case of ASBA Bid cum Application Forms submitted in physical mode;
9. ASBA Bid cum Application Form does not have the stamp of the SCSB and/or a member of the Syndicate;
10. ASBA Bid cum Application Form is not delivered, either in physical or electronic form, by the Bidder within the time prescribed and as per the instructions provided in the ASBA Bid cum Application Form and the Red Herring Prospectus;
11. Inadequate funds in the ASBA Account to block the Bid Amount specified in the ASBA Bid cum Application Form at the time of blocking such Bid Amount in the ASBA Account; and

12. If the ASBA Bid in the Issue is revised.

Bidders are advised that ASBA Bids not uploaded in the electronic book of the Stock Exchanges, due to any of the grounds mentioned above, would be rejected.

COMMUNICATIONS

All future communication in connection with ASBA Bids made in this Issue should be addressed to the Registrar to the Issue quoting the full name of the sole or First ASBA Bidder, ASBA Bid cum Application Form number, details of Depository Participant, number of Equity Shares applied for, date of ASBA Bid cum Application Form, name and address of the Designated Branch of the SCSB where the ASBA Bid was submitted, bank account number in which the amount equivalent to the Bid amount was blocked and a copy of the acknowledgement slip. The Registrar to the Issue shall obtain the required information from the SCSBs for addressing any clarifications or grievances. The SCSB shall be responsible for any damage or liability resulting from any errors, fraud or wilful negligence on the part of any employee of the concerned SCSB, including its Designated Branches and the branches where the ASBA Accounts are held. The Company, the GCBRLMs, the BRLMs, the Syndicate Members and the Registrar accept no responsibility for errors, omissions, commission or any acts of SCSBs including any defaults in complying with its obligations.

ASBA Investors can contact the Compliance Officer, the Designated Branch of the SCSB where the ASBA Bid cum Application Form was submitted, or the Registrar to the Issue in case of any pre- or post-Issue related problems such as non-receipt of credit of Allotted Equity Shares in the respective beneficiary accounts, unblocking of excess Bid Amount, etc.

Disposal of Investor Grievances

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 on application, bank account number and the Designated Branch or the collection centre of the SCSB where the Bid cum Application Form was submitted by the ASBA Bidders.

Impersonation

For details, see section titled “Issue Procedure - Impersonation” on page 392 of this Prospectus.

DISPOSAL OF APPLICATIONS AND APPLICATION MONEYS AND INTEREST IN CASE OF DELAY IN INSTRUCTIONS TO SCSBs BY THE REGISTRAR TO THE ISSUE

The Company undertakes that:

- Allotment and transfer shall be made only in dematerialised form within 15 days from the Bid/Issue Closing Date; and
- Instructions for unblocking of the ASBA Bidder’s Bank Account shall be made within 15 days from the Bid/Issue Closing Date.

Basis of Allocation

Bids received from ASBA Bidders will be considered at par with Bids received from non-ASBA Bidders. The basis of allocation to such valid ASBA and non-ASBA Bidders will be that applicable to Retail Individual Bidders. For details, see section titled “Issue Procedure- Basis of Allotment” on page 392 of this Prospectus.

Method of Proportionate basis of allocation in the Issue

ASBA Bidders, along with non-ASBA Bidders, will be categorized as Retail Individual Bidders. No preference shall be given vis-à-vis ASBA and non-ASBA Bidders.

Undertaking by the Company

In addition to the undertakings described under “Issue Procedure - Undertaking by the Company”, with respect to the ASBA Bidders, the Company undertakes that adequate arrangement shall be made to consider ASBA Bidders similar to other Bidders while finalizing the basis of allocation.

Utilisation of Issue Proceeds

The Board has provided certain certifications with respect to the utilization of Issue Proceeds. For details, see the section titled “Issue Procedure- Utilisation of Issue Proceeds” on page 398 of this Prospectus.

RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES

The Industrial Policy, 1991 and the FEMA regulate foreign investment in Indian securities. The Industrial Policy, 1991 stipulates the limits and the conditions subject to which foreign investment can be made in different sectors of the Indian economy. The FEMA further regulates foreign investment by prescribing the precise manner in which such investment may be made.

Under the Industrial Policy, unless specifically restricted, foreign investment is freely permitted in all sectors of Indian economy up to any extent and without any prior approvals, but the foreign investor is required to follow certain prescribed procedures for making such investment. As per current foreign investment policies, foreign investment in the real estate sector is permitted under the automatic route in relation to investments by NRIs.

By way of Circular No. 53 dated December 17, 2003, the RBI has permitted FIIs to subscribe to shares of an Indian company in a public offer without the prior approval of the RBI, so long as the price of the Equity Shares to be issued is not less than the price at which the Equity Shares are issued to residents. Transfers of Equity Shares previously required the prior approval of the FIPB. However, vide a RBI circular dated October 4, 2004 issued by the RBI, the transfer of shares between an Indian resident and a non-resident does not require the prior approval of the FIPB or the RBI, provided that (i) the activities of the investee company are under the automatic route under the foreign direct investment (FDI) Policy and transfer does not attract the provisions of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 (ii) the non-resident shareholding is within the sectoral limits under the FDI policy, and (iii) the pricing is in accordance with the guidelines prescribed by the SEBI/RBI.

Foreign Investment in the Real Estate Sector

Foreign investment in the real estate sector is regulated by the relevant provisions of the FDI Manual dated November 2005, FEMA Regulations, and the relevant Press Notes issued by the Secretariat for Industrial Assistance, GoI.

FDI Manual

Item No. 9 of Annexure II to the said FDI Manual outlines the sectoral caps in relation to 'Housing and Real Estate'. The said annexure, specifies the following as activities under the automatic route in which Investment are permitted only by NRI's:

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

FEMA Regulations

The FEMA Regulations, state that the investment cap in the real estate on the activities in the 'Housing and Real Estate' is permit investment to the extent of 100% only by NRIs in the following specified areas:

- I. Development of serviced plots and construction of built up residential premises
- II. Investment in real estate covering construction of residential and commercial premises including business centres and offices
- III. Development of townships
- IV. City and regional level urban infrastructure facilities, including both roads and bridges
- V. Investment in manufacture of building materials, which is also open to FDI
- VI. Investment in participatory ventures in (a) to (c) above
- VII. Investment in housing finance institutions, which is also open to FDI as an NBFC.

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

Press Note 2 of 2005

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

Under the said press note 2, FDI up to 100% under the automatic route is allowed in ‘townships, housing, built-up infrastructure and construction-development projects (which would include, but not be restricted to, housing, commercial premises, hotels, resorts, hospitals, educational institutions, recreational facilities, city and regional level infrastructure)’, subject to the compliance with the following requirements.

- a. Minimum area to be developed under each project is as under
 1. In case of development of serviced housing plots, a minimum land area of 10 hectares.
 2. In case of construction-development projects, a minimum built up area of 50,000 square meters
 3. In case of a combination project, anyone of the above two conditions would suffice
- b. Minimum capitalization of US\$ 10 million for wholly owned subsidiaries and US\$ 5 million for joint ventures with Indian partners. The funds are to be brought in within six months of commencement of business of the Company.
- c. Original investment is not to be repatriated before a period of three years from completion of minimum capitalization. The investor is to be permitted to exit earlier with prior approval of the Government through the FIPB.
- d. At least 50% of the project must be developed within a period of five years from the date of obtaining all statutory clearances. The investor would not be permitted to sell undeveloped plots. “Underdeveloped plots” will mean where roads, water supply, street lighting, drainage, sewerage and other conveniences as applicable under prescribed regulations have not been made available.
- e. The State Government/ Municipal Local Body concerned, which approves the building/development plans, would monitor compliance of the above conditions by the developer.

Therefore applicable law only permits investment by an NRI under the automatic route in the ‘Housing and Real Estate’ sector upto 100% in relation to townships, housing, built-up infrastructure and construction-development projects (which would include, but not be restricted to, housing, commercial premises, hotels, resorts, hospitals, educational institutions, recreational facilities, city and regional level infrastructure) and additionally permits upto 100 % FDI in the ‘Housing and Real Estate’ subject to compliance with the terms provided in press note 2 of 2005.

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

Note:

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

SECTION VIII: MAIN PROVISIONS OF THE ARTICLES OF ASSOCIATION

Capitalised terms used in this section have meaning that has been given to such terms in the Articles of Association of Godrej Properties Limited.

Pursuant to Schedule II of the Companies Act and SEBI Guidelines, the main provisions of the Articles of Association of Godrej Properties Limited are set forth below:

APPLICABILITY OF TABLE A

Article 1 provides that “the regulations contained in Table A, in the First Schedule to the Companies Act, 1956, shall not apply to this Company, but the regulations for the management of the Company and for the conduct of meetings of the Members thereof, shall, subject to any exercise of the statutory powers of the Company in reference to the repeal or alteration of, or addition to, its regulations by Special Resolution, as prescribed by the said Companies Act, 1956, be such as are contained in these Articles.”

SHARE CAPITAL

Further Issue of Capital

Article 13 provides:

- (1) Where at any time after the expiry of two years from the formation of the company or at any time after the expiry of one year from the allotment of shares in the company made for the first time after its formation, it is proposed to increase the subscribed capital of the Company by allotment of further shares, then
 1. such further shares shall be offered to the persons who, at the date of the offer, are holders of the Equity Shares of the Company, in proportion, as nearly as circumstances admit, to the capital paid up on those shares at that date.
 2. Such offer shall be made by notice specifying the number of shares offered and limiting a time not being less than thirty days from the date of the offer within which the offer, if not accepted, will be deemed to have been declined.
 3. The offer aforesaid shall be deemed to include a right exercisable by the person concerned to renounce the shares offered to him or any of them in favour of any other person and the notice referred to in sub clause (b) shall contain a statement of this right.
 4. After the expiry of the time specified in the notice aforesaid, or on receipt of earlier intimation from the person to whom such notice is given that he declines to accept the shares offered, the Board may dispose of them in such manner as they think most beneficial to the Company
- (2) Notwithstanding anything contained in sub-clause (1), the further shares aforesaid may be offered to any person (whether or not those persons include the persons referred to in clause (a) of sub-clause (1) hereof in any manner whatsoever:-
 - (i) if a special resolution to the effect is passed by the company in general meeting; or
 - (ii) where no such special resolution is passed, if the votes cast (whether on a show of hands or on a poll, as the case may be) in favour of the proposal contained in the resolution moved in that general meeting (including the casting vote, if any of the Chairman) by Members who, being entitled so to do, vote in person, or where proxies are allowed, by proxy, exceed the votes, if any, cast against the proposal by Members so entitled and

voting and the Central Government is satisfied, on an application made by the Board in this behalf, that the proposal is most beneficial to the Company;

- (3) Nothing in clause (c) of sub-clause (1) hereof shall be deemed:
- (i) To extend the time within which the offer should be accepted
 - (ii) To authorise any person to exercise the right of renunciation for a second time, on the ground that the person in whose favour the renunciation was first made has declined to take the shares comprised in the renunciation.
- (4) Nothing in this Article shall apply to the increase of the subscribed capital of the company caused by the exercise of an option attached to the debentures issued by the company:
- (i) To convert such debentures or loans into shares in the company, or
 - (ii) To subscribe for shares in the company

Provided that the terms of issue of such debentures or the terms of such loans include a term providing for such option and such term:

- a) Either has been approved by the Central Government before the issue of debentures or the raising of the loans or is in conformity with Rules, if any, made by that Government in this behalf; and
- b) In the case of debentures or loans other than debentures issued to, or loans obtained from the Government or any institution specified by the Central Government in this behalf, has also been approved by the special resolution passed by the company in general meeting before the issue of debentures or the raising of the loans

Article 4 provides that “the Company in General Meeting may, from time to time, increase the capital by the creation of new shares, such increase to be of such aggregate amount and to be divided into Shares of such respective amount as the resolution shall prescribe. Subject to the provisions of the Act, any shares of the original or increased capital shall be issued upon such terms and conditions and with such rights and privileges annexed thereto, as the General Meeting resolving upon the creation thereof, shall direct, and if no direction be given, as the Board shall determine, and in particular, such shares may be issued with a preferential’ or a qualified right to dividends, and in the distribution of assets of the Company, and with a right of voting at general meeting of the Company in conformity with Sections 87 and 88 of the Act. Whenever the capital of the Company has been increased under the provisions of this Article, the Boards shall comply with the provisions of Section 97 of the Act.”

Reduction of Capital

Article 8 provides “subject to the provisions of 78, 80, 100 to 105 inclusive, of the Act, the Company may from time to time by Special Resolution, reduce its capital and any Capital Redemption Reserve Fund or other Share Premium Account in any manner for the time being authorised by law, and in particular capital may be paid off on the footing that It may be called up again or otherwise. This Article is not to derogate from any power the Company would have if it were omitted.”

Power to Issue Preference Shares

Article 6 provides “subject to the provisions of Section 80 of the Act, the Company shall have the power to issue preference Shares which are liable to be redeemed and the resolution authorising such issue shall prescribe the manner, terms and conditions of redemption.”

Provisions to apply on issue of Redeemable Preference Shares

Article 7 provides “on the issue of redeemable preference shares under the provisions of Article 6 hereof, the following provisions shall take effect:-

- (a) No such shares shall be redeemed except out of profits of the Company which would otherwise be available for dividend or out of the proceeds of a fresh issue of shares made for the purpose of the redemption;
- (b) No such shares shall be redeemed unless they are fully paid up;
- (c) The premium, if any, payable on redemption must have been provided for out of the profits of the Company or the Company’s Share Premium Account before the shares are redeemed;
- (d) Where any such shares are redeemed otherwise than out of the proceeds of a fresh issue, there shall, out of profits which would otherwise have been available for dividend, be transferred to a reserve fund, to be called “the Capital Redemption Reserve Fund”, a sum equal to the nominal -amount of the shares redeemed and the provisions of the Act relating to the reduction of the share capital of the Company shall, except as provided in Section 80 of the Act, apply as if the Capital Redemption Reserve Fund were paid-up shares capital of the Company.”

New Capital same as Original Capital

Article 5 provides “except so far as otherwise provided by the conditions of issue or by these presents, any capital raised by the creation of new shares, shall be considered as part of the existing capital and shall be subject to the provisions herein contained, with reference to the payment of calls and instalments, forfeiture, lien, surrender, transfer and transmission, voting and otherwise.”

Shares under control of Directors

Article 14 provides “Subject to the provisions of these Articles and Section 81 of the Act, the shares in the capital of the company for the time being (including any shares forming part of any increased capital of the Company) shall be under the control of the Directors, who may issue, allot or otherwise dispose of the same or any of them to such persons, in such proportion, on such terms and conditions and either at a premium or at par or at a discount (subject to the compliance with the provisions of Section 79 of the Act) and at such time as the Directors may from time to time think fit with the sanction of the Company in General Meeting the Directors may give any person or persons, the option or right to call for shares of any class of the Company either at a premium or at par and such option being exercisable for such time and for such consideration as the Directors think fit and may issue and allot shares in the capital of the company on payment in full or part of any property sold and transferred or for any services rendered to the company in the conduct of its business and any shares which may so be allotted may be issued as fully paid up shares and if so issued, shall be deemed to be fully paid shares. Provided that option or right to call of shares shall not be given to any person or persons without the sanction of the company in the general meeting.”

Further Article 23A and 23B provide that “ The Company shall not give any financial assistance for or in connection with the purchase or subscription, of any shares in the company or its holding Company, save as provided by the Companies Act, 1956.” However this is subject to Article 24 which states, “Notwithstanding anything contained in these Articles, the Company shall have the power, subject to and in accordance with all applicable provisions of the Act, to purchase any of its own fully paid shares whether or not they are redeemable and may make a payment out of capital in respect of such purchase.”

CONSOLIDATION AND DIVISION OF CAPITAL

Sub-division and Consolidation of Shares

Article 9 provides “subject to the provisions of Section 94 of the Act the Company in General Meeting may,

from time to time, consolidate and divide or sub-divide its shares, or any of them, and the resolution where by any share is sub-divided, may determine that, as between the holders of the shares resulting from such sub-division one or more of such shares shall have some preference or special advantage as regards dividend, capital or otherwise over or as compared with the others or other. Subject as aforesaid the Company in General Meeting may also cancel Shares which have not been taken or agreed to be taken by any person and diminish the amount of its share capital by the amount of the shares so cancelled”

Modification of Rights

Article 10 provides “whenever the capital, by reason of the issue of preference shares or otherwise, is divided into different classes of shares, all or any of the rights and privileges attached to each class may, subject to the provisions of Sections 106 and 107 of the Act be modified, commuted, affected or abrogated, or dealt with by agreement between the Company and any person purporting to contract on behalf of that class, provided such agreement is ratified in writing by holders of at least three-fourths in nominal value of the issued shares of the class or is confirmed by a Special Resolution passed at a separate General Meeting of the holders of shares of that class and all the provisions hereinafter contained as to General Meetings shall mutatis mutandis apply to every such meeting. This Article is not to derogate from any power the Company would have if this Article were omitted.”

SHARES AND CERTIFICATES

Register and Index of Members and Register and Index of Debenture holders

Article 11 provides “the Company shall cause to be kept a Register of Members and an Index of Members in accordance with Sections 150 and 151 of the Act and Register and Index of Debenture holders of Section 152 of the Act”.

Shares to be numbered progressively and no share to be sub-divided

Article 12 provides “the Share in the capital shall be numbered progressively according to their several denominations, and except in the manner herein before mentioned no shares shall be subdivided.”

Deposits and call etc, to be a debt payable immediately

Articles 17 provides “The money (if any) which the Board shall, on the allotment of any shares being made by them, require or direct to be paid by way of deposit, call or otherwise, in respect of any shares allotted by them, shall immediately on the inscription of the name of the allottee in the Register of Members as the name of the holder of such shares, become debt due to and recoverable by the Company from the allottee thereof, and shall be paid by him accordingly.”

Company’s Lien on Shares/Debentures

Article 38 provides “The Company shall have a first and paramount lien upon all the shares/debentures (other than fully paid up shares/debentures) registered in the name of each Member (whether solely or jointly with others) and upon the proceeds, of sale thereof for all moneys (whether presently payable or not) called or payable at a fixed time in respect of such shares/debentures and no equitable interest in any shares shall be created except upon the footing and condition that this Article hereof is to have full effect and such lien shall extend to all dividends and bonuses from time to time declared in respect of such shares/debentures. Unless otherwise agreed, the registration of a transfer of shares/debentures shall operate as a waiver of the Company’s lien, if any, on such shares/debentures. The Directors may at any time declare any shares/debentures wholly or in part to be exempt from the provisions of this clause.”

Renewal of Share Certificates

Article 20 provides:

- (a) No certificate of any share or shares shall be issued either in exchange for those shares which have been consolidated and divided or sub divided in replacement of those which are defaced, torn or worn out, or the cages on the reverse of which for recording transfers have been fully used, unless the certificate in lieu of which it is issued is surrendered to the Company.
- (b) When a new share certificate has been issued in pursuance of clause (a) of this Article, there shall be stated on the face of it and against the stub or counterfoil that it is issued in lieu of share certificate(whose number shall be given) of shares' which have been consolidated or divided or subdivided or in replacement of a share certificate (whose number shall be given) which have been defaced, torn or worn out or the cages on the reverse of which for recording transfers have been fully used as the case may be.
- (c) If a share certificate is worn out, defaced, mutilated or torn or if there be no further space on the back thereof for endorsement of transfer, then upon production and surrender thereof to the company, a new certificate in lieu thereof shall be issued and if any certificate lost or destroyed then upon proof thereof to the satisfaction of the company and on execution of such indemnity as the company deem adequate, being given, a new certificate in lieu thereof shall be given to the party entitled to such lost or destroyed certificate. Every certificate under the article shall be issued without payment of fees if the director so decide, or on payment of such fee (not exceeding Rs. 2 for each certificate) as the director shall prescribe. Provided that no fee shall be charged for issue of new certificates in replacement of those which are old, defaced or worn out or where there is no further space on the back thereof for endorsement of transfer.

Provided that notwithstanding what is stated above the Directors shall comply with such rules or regulations or requirements of any stock exchange or the rules made under the Act or rules made under Securities Contracts (Regulations) Act, 1956 or any other Act, or rules applicable thereof in this behalf.

- (d) When a new share certificate has been issued in pursuance of clause (c) of this Article, there it shall be stated on the face of it and against the stub or counterfoil that it is a "duplicate issued in lieu of a share certificate (whose nos. shall be given)" and the word "Duplicate" shall be stamped or punched in bold letters across its face.
- (e) Where a new share certificate has been issued in pursuance of clause (a) or clause (c) of this Article, particulars of every such share certificate shall be entered in a Register of Renewed and Duplicate Certificate indicating against the names of persons to whom the certificate is issued, the number and date of issue of the share certificate in lieu of which the new certificate is issued and the necessary changes indicated in the Register of Member by suitable cross reference in the "Remarks' column.
- (f) Share certificates shall be printed and they shall be printed only by authority of a resolution of the Board. Share certificates shall be consecutively machine-numbered and the forms and the blocks, engravings facsimiles and hues relating to the printing of such certificates shall be kept in the custody of the Secretary or of such other person as the Board may appoint for the purpose; and the Secretary or the other person aforesaid shall be responsible for rendering an account of these certificates to the Board.
- (g) The Managing Director of the Company for the time being or, if the Company has no Managing Director, every Director of the Company shall be responsible for the maintenance, preservation and safe custody of all books and documents relating to the issue of share certificates except share certificate referred to in clause (f).
- (h) All books referred to in clause (g) shall be preserved in good order permanently.
- (i) The provisions of this Article shall mutatis mutandis apply to debentures of the company

Issue of new Certificate in place of one defaced, lost or destroyed

Article 20 provides in sub-clause (c) that “If a share certificate is worn out, defaced, mutilated or torn or if there be no further space on the back thereof for endorsement of transfer, then upon production and surrender thereof to the company, a new certificate in lieu thereof shall be issued and if any certificate lost or destroyed then upon proof thereof to the satisfaction of the company and on execution of such indemnity as the company deem adequate, being given, a new certificate in lieu thereof shall be given to the party entitled to such lost or destroyed certificate. Every certificate under the article shall be issued without payment of fees if the director so decide, or on payment of such fee (not exceeding Rs. 2 for each certificate) as the director shall prescribe. Provided that no fee shall be charged for issue of new certificates in replacement of those which are old, defaced or worn out or where there is no further space on the back thereof for endorsement of transfer.”

Provided that notwithstanding what is stated above the Directors shall comply with such rules or regulations or requirements of any stock exchange or the rules made under the Act or rules made under Securities Contracts (Regulations) Act, 1956 or any other Act, or rules applicable thereof in this behalf.

Further, Article 20 (d) provides that “When a new share certificate has been issued in pursuance of clause (c) of this Article, there it shall be stated on the face of it and against the stub or counterfoil that it is a “duplicate issued in lieu of a share certificate (whose nos. shall be given)” and the word “Duplicate” shall be stamped or punched in bold letters across its face.”

JOINT HOLDERS OF SHARES

Article 186 provides that “a document or notice may be served or given by the Company on or to the joint holders of a share by serving or giving the document or notice on or to the joint holder named first in the Register of Members in respect of the share.”

UNDERWRITING AND BROKERAGE

Article 24 provides that “subject to the provisions of Section 76 of the Act , the Company may at any time pay a commission to any person in consideration of his subscribing or agreeing to subscribe (whether absolutely or conditionally) for any shares or debentures in the Company, or procuring, or agreeing to procure subscriptions (whether absolute or conditional) for any shares or debentures in the Company; but so that the commission shall not exceed in the case of shares five percent of the price at which the shares are issued and in the case of debentures two and a half percent of the price at which the debentures are issued. Such commission may be satisfied by payment of cash or by allotment of fully or partly paid shares or partly in one way and partly in the other.”

Further, Article 25 provides that “The Company may pay a reasonable sum for brokerage.”

CALLS

Director may make calls

Articles 27 provides that “subject to the terms on which any shares may have been issued and to conditions of allotment the Board may, from time to time, by a resolution passed at a meeting of the Board (and not by circular resolution) make such call as it thinks fit upon the Members in respect of all moneys unpaid on the shares held by them respectively and each Member shall pay the amount of every call so made on him to the person or person and at the times and places appointed by the Board. A call may be made payable by instalments.”

Notice of Calls

Article 28 provides that “Fifteen days notice at the least of any call shall be given by the Company specifying the time and place of payment, and the person or persons to whom such call shall be paid.”

Calls to carry interest

Article 33 provides that “if any Member fails to pay any call due from him on the day appointed for payment thereof, or any such extension thereof as aforesaid, he shall be liable to pay interest on the same from the day appointed for the payment thereof to the time of actual payment at such rate as shall from time to time be fixed by the Board; but nothing in this Article shall render it obligatory for the Board to demand or recover any interest from any such Member.”

Proof on trial of suit for money due on shares

Article 35 provides that “On the trial or hearing of any action or suit brought by the Company against any Member or his representatives for the recovery of any money claimed to be due to the Company in respect of his shares it be sufficient to prove that the name of the Member in respect of whose shares the money is sought to be recovered, was on the Register of Members as the holder, on or subsequent to the date at which the money sought to be recovered is alleged to. have become due, of the shares in respect of which such money is sought to be recovered; such money is due pursuant to the terms on which the share was issued; that the resolution making the call was duly recorded in the Minute Book; and that notice of such call was duly given to- the Member or his representatives sued in pursuance of these Articles; and it shall not be necessary to prove the appointment of the Directors who made such call nor that a quorum of Directors was present at the Board meeting at which any call was made, nor that the meeting at which any call was made was duly convened or constituted nor any other matters whatsoever, but the proof of the matters aforesaid shall be conclusive evidence of the debt.”

Payment in anticipation of calls may carry interest

Article 37 provides that “The Board may, if it thinks fit, subject to the provisions of Section 92 of the Act, agree to and receive from any Member willing to advance the same, all or any part of the amount of his shares beyond the sums actually called up and upon the moneys so paid in advance, or upon so much thereof, from time to time, and at any time thereafter, as exceeds the amount of the calls then made upon and due in respect of the shares on account of which such advances are made, the Board may pay or allow interest, at such rate as the member paying the sum in advance and the Board may agree upon. The Board may at any time repay the amount so advanced provided that moneys paid in advance of call on any shares may carry interest but shall not confer a right to dividend or to participate in profits. No Member paying any such sum in advance shall be entitled to voting rights in respect of the moneys so paid by him until the same would but for such payment become presently payable. The provisions of this Article shall mutatis mutandis apply to the calls on debentures of the company.”

FORFEITURE

If money payable on shares not paid notice to be given to member

Article 41 provides that “if any Member fails to pay any call or instalment of a call on or before the day appointed for the payment of the same or any such extension thereof as aforesaid, the Board may at any time. Thereafter, during such time as the call or instalment remains unpaid, give notice to him requiring him to pay the same together with any interest that may have accrued and all expenses that may have been incurred by the Company by reason of such non-payment.”

Form of Notice

Article 42 provides that “the notice shall name a day (not being less than fourteen days from the date of the notice) and a place or places on and at which such call or instalment and such interest and expenses as aforesaid are to be paid. The notice shall also state that in the event of the non-payment at or before the time at the place appointed, the shares in respect of which the call was made or instalment is payable, will be liable to be forfeited.”

In default of payment, shares to be forfeited

Article 43 provides that “if the requirements of any such notice as aforesaid shall not be complied with, every or any share in respect of which such notice has been given, may, at any time thereafter before payment of all calls or instalments, interest and expenses due in respect thereof, be forfeited by a resolution of the Board to that effect. Such forfeiture shall include all dividends declared or any other moneys payable in respect of the forfeited share and not actually paid before the forfeiture.”

Notice of forfeiture to Member

Article 44 provides that “when any share shall have been so forfeited, notice of the forfeiture shall be given to the Member in whose name is stood immediately prior to forfeiture, and an entry of the forfeiture, with the date thereof, shall forthwith be made in the Register of Members, but no forfeiture shall be in any manner invalidated by any omission or neglect to give such notice or to make any such entry as aforesaid”

Forfeited shares to be property of Company and may be sold

Article 45 provides that “any share so forfeited, shall be deemed to be the property of the Company, and may be sold, re-allotted or otherwise disposed of, either to the original holder thereof or to any other person, upon such terms and in such manner as the Board shall think fit. “

TRANSFER AND TRANSMISSION OF SHARES

Execution of Transfer

Article 53 provides that, “No transfer of shares in or debentures of the Company shall be registered unless a proper instrument of transfer duly stamped and executed by or on behalf of the transferor and by or on behalf of the transferee and specifying the name, address and occupation, If any, of the transferee has been delivered to the Company along with the certificates relating to the shares or debentures or if no such certificate is in existence along with the letter of allotment of the shares or debentures provided the transferor shall be deemed to remain the holder of such share or debenture until the name of the transferee is entered in the Register in respect thereof.”

Form of Transfer

Article 54 provides that “The instrument of transfer of any share shall be in writing in the form prescribed pursuant to Section 108 of the Companies Act, 1956 and statutory modifications thereof for the time being shall be duly complied with in respect of all transfer of shares and registration thereof.

General power to refuse transfer

Article 52 provides that “Subject to the provisions of Section 111 and 111A, these Articles and other applicable provisions of the Act or any other law for the time being in force, the Board may refuse whether in pursuance of any power of the company under these Articles or otherwise to register the transfer of, or the transmission by operation of law of the right to, any shares or interest of a Member in or debentures of the Company. The Company shall within one month from the date on which the instrument of transfer or the intimation of such transmission, as the case may be, was delivered to company, send notice of the refusal to the transferee and the transferor or to the person giving intimation of such transmission, as the case may be, giving reasons for such refusal. Provided that the registration of a transfer shall not be refused on the ground of the transferor being alone or jointly with any other person or persons indebted to the company on any account whatsoever except where the company has a lien on shares.”

Transfer to be left at office and evidence of title to be given when transfer to be retained

Article 56 provides that “Every instrument of transfer duly executed and stamped shall be left at the office of the Company for registration, accompanied by the certificate of the shares to be transferred and such other

evidence as the Company may require to prove the title of the transferor or his right to transfer the shares. All instruments of transfer which shall be registered shall be retained by the Company but any instrument of transfer which the Directors may decline to register shall, on demand, be returned to the person depositing the same.”

Title of shares of deceased holder

Article 59 provides that “The executor or administrator of a deceased Member (whether European, Hindu, Mohamedan, Parsi or otherwise not being one of two or more joint holders) shall be the only persons recognised by the Company as having any title to his shares and the Company shall not be bound to recognise such executor or administrator unless such executor or administrator shall have first obtained Probate or Letters of Administration or other legal representation as the case may be from a duly constituted Court in India. Provided that in any case where the Board in their absolute discretion think fit, the Board may dispense with production of Probate or Letters or Administration or other legal representation, upon such terms as to indemnify or otherwise as the Directors may deem fit and under the next Article, register the name of any person who claims to be absolutely entitled to the shares standing in the name of deceased Member, as a member.”

Registration of persons entitled to shares otherwise than by transfer (Transmission Clause)

Article 60 provides that “subject to provisions of the Act and these Articles, any person becoming entitled to share in consequence of the death, bankruptcy or insolvency of any member, or by any lawful means other than by a transfer in accordance with these presents, may with the consent of the Directors (which they shall not be under any obligation to give) upon producing such evidence as the Board, think sufficient either be registered himself as the holder of the share or elect to have some person nominated by him and approved by the Board, registered as such holder; provided never the less, that if such person shall elect to have his nominee registered, he shall testify the election by executing to his nominee an instrument of transfer of the share in accordance with the provisions herein contained and until he does so, he shall not be freed from any liability in respect of the shares.

Certificate of Transfer

Article 67 provides that, “the certification by the Company of any instrument of transfer of shares in or debentures of the Company, shall be taken as a representation by the Company to any person acting on the faith of the certification that there have been produced to the Company such documents as on the face of them show a prima facie title to the shares or debentures in the transferor named in the instrument of transfer but not as a representation that the transferor has any title to the shares or debentures.”

DIRECTORS

Number of Directors

Article 114 provides that “until otherwise determined by a General Meeting and subject to Section 258 of the Act, the number of Directors (excluding Alternative Directors) shall not be less than three nor more than sixteen.”

Directors’ power to add to Board

Article 118 provides that “the Board shall have power at any time and from time to time to appoint any qualified person to be an Additional Director but so that the total number of Directors shall not at any time exceed the maximum fixed under Article 114. Any such additional Directors shall hold Office only up to the date of the next Annual general Meeting but shall then be eligible for election at that meeting.”

Director’s Power to fill casual vacancy

Article 119 provides that “Subject to the provisions of Sections 262, and 284(6), of the Act the Board shall have power at any time and from time to time to appoint any qualified person to be a Director to fill a casual

vacancy. Any person so appointed shall hold office only upto the date upto which the Director in whose place he is appointed would have held office if it had not been vacated by him, but shall then be eligible for election.”

Debenture Directors

Article 117 provides that “If it is provided by the Trust Deed, securing or otherwise, in connection with any issue of debentures of the Company, that a trustee appointed under the trust deed shall have power to appoint a Director of the Company, then in the case of any and every such issue of debentures, the person or persons having such power may exercise such power from time to time and appoint a Director accordingly. Any Director so appointed is herein referred to as a Debenture Director. A Debenture Director may be removed from office at any time by the trustee in whom for the time being is vested the power under which he was appointed and another Director may be appointed in his place. A debenture director shall not be liable to retire by rotation. A Debenture Director shall not be bound to hold any qualification shares.”

Remuneration of Directors

Article 121 provides that:

- (1) “Subject to the provisions of the Act, a Director, who is in the whole time employment of the Company, or a Managing Director may be paid remuneration either by way of a monthly payment or at a specified percentage of the net profits of the Company or partly by one way and partly by the other
- (2) Subject to the provisions of the Act, a Director, who is neither in the whole-time employment of the Company nor a Managing Director, may be paid remuneration either:
 - (i) by way of monthly, quarterly or annual payment with the approval of the Central Government; or
 - (ii) by way of commission. If the Company (special resolution authorises such commission.

Article 122 further provides that “directors of the Company other than the Managing Director and Whole time Directors shall be paid for attending meeting of the Board or Committee thereof such sitting fees as may be prescribed by the Act or the Central Government from time to time.”

Powers of Directors

Article 157 provides that “the business of the Company shall be managed by the Board who may exercise all such powers of the Company and do all such acts and things as are not, by the Act, or any other Act or by the Memorandum or by the Articles of the Company required to be exercised or done by the Company in General Meeting, subject nevertheless to the provision of these Articles, to the provisions of the Act, or any other Act and to such regulations being not inconsistent with any of the aforesaid regulations or provisions, as may be prescribed by the Company in General Meeting; but no regulations made by the Company in General Meeting shall invalidate any prior act of the Board which would have been valid if that regulation had not been made. Provided that the Board shall not, except with the consent of the Company in General Meeting:-

- (a) sell, lease or otherwise dispose of the whole, or substantially the whole of the undertaking of the Company, or where the Company owns more than one undertaking, of the whole, or substantially the whole, of any such undertaking;
- (b) remit, or give time for the repayment, of any debt due by a Director;
- (c) invest otherwise than in trust securities the sale proceeds resulting from the acquisition without the consent of the company of any such undertakings as is referred to in clause (a) or of any premise or properties used for any such undertaking and without which it cannot be carried on or can be carried on only with difficulty or only after a considerable time;

- (d) borrow moneys, where the moneys to be borrowed together with the moneys already borrowed by the Company (apart from temporary loans obtained from the Company's bankers, in the ordinary course of business), will exceed the aggregate of the paid-up capital of the Company and its free reserves that is to say, reserves not set apart for any specific purpose. Provided further that the powers specified in Section 292 of the Act shall subject to these Articles, be exercise only at meetings of the Board; unless the same be delegated to the extent therein stated; or
- (e) contribute to charitable and other funds not directly relating to the business of the Company or the welfare of its employees, any amounts the aggregate of which will, in any financial year, exceed twenty thousand rupees or five percent of its average net profits as determined in accordance with the provisions of Sections 349 and 350 of the Act during the three financial years immediately preceding, whichever is greater.

Power to Borrow

Article 71 provides that "subject to the provisions of Section 292 and 293 of the Act and of these Articles the Board may, from time to time at its discretion, by a resolution passed at a meeting of the Board, accept deposits from Members, either in advance of calls or otherwise, and generally raise or borrow or secure the payment of any sum or sums of money for the Company. Provided however where the moneys to be borrowed together with the moneys already borrowed (apart from temporary loans obtained from the Company's Bankers in the ordinary course of business) exceed the aggregate of the paid up capital of the Company and its free reserves (not being reserves set apart for any specific purpose) the Board shall not borrow such moneys without the consent of the Company in General Meeting. Nevertheless no lender or other person dealing with the Company shall be concerned to see or inquire whether this limit is observed."

Terms of Issue of Debentures

Article 73 provides that "any debentures, debenture stock or other securities may be issued at a discount, premium or otherwise and may be issued on condition that they shall be convertible into shares of any denomination, and with any privileges and conditions is to redemption, surrender, drawing, allotment of shares and attending (but not voting) at general meetings, appointment of Directors and otherwise, Debentures with the right to conversion into or allotment of shares shall be issued only with the consent of the company in General Meeting by a special resolution."

Certain Powers of the Board

Article 158 provides that "without prejudice to the general powers conferred by the last precedent Article and so as not in any way to limit or restrict, those powers, and without prejudice to the other powers conferred by these Articles, but subject to the restriction contained in the last preceding Article, it is hereby declared that the Directors shall have the following powers, that is to say, power:-

- (1) To pay and charge to the capital account of the Company any commission or interest lawfully payable under the provisions of Sections 76 and 208 of the Act.
- (2) Subject to Sections 292, 297 and 372 of the Act, to purchase or otherwise acquire for the Company any property, rights or privileges which the Company is authorised to acquire, at or for such price or consideration and generally on such terms and conditions as they may think fit; and in any such purchase or other acquisition to accept such title as the Directors may believe, or may be advised to be reasonably satisfactory.
- (3) At their discretion and subject to the provisions of the Act to pay for any property, rights or privileges acquired by or services rendered to the Company, either wholly or partially, in cash or in shares, bonds, debentures, mortgages, or other securities of the Company and any such shares may be issued either as fully paid up or with such amount credited as paid up thereon as may be agreed upon; and any such bonds, debentures mortgages or other securities may be either specifically charged upon all or any part of the property of the Company and its uncalled capital or not so charged.

- (4) To secure the fulfilment of any contract or engagement entered into by the Company by mortgage or charge of all or any of the property of the Company and its uncalled capital for the time being or in such manner as they may think fit.
- (5) To accept from any Member, so far as may be permissible by law, a surrender of his shares or any part thereof, on such terms and conditions as may be agreed.
- (6) To appoint any person to accept and hold in trust for the Company any property belonging to the Company, or in which it is interested, or for any other purposes, and to execute and do all such deeds and things as may be required in relation to any such trust, and to provide for the remuneration of such trustee or trustees.
- (7) To institute, conduct, defend, compound, or abandon any legal proceedings by or against the Company or its officers, or otherwise concerning the affairs of the Company, and subject to section 293 of the Act to compound and allow time for payment or satisfaction of any debts due and of any claim or demand by or against the Company and to refer any differences to arbitration, and observe and perform any awards made thereon.
- (8) To act on behalf of the Company in all matters relating to bankrupts and insolvents.
- (9) To make and give receipts, releases, and other discharges for moneys payable to the Company and for the claims and demands of the Company
- (10) Subject to the provisions of Section 292, 293 (1) (C), 295, 370, and 372 of the Act, to invest and deal with any moneys of the Company not immediately required for the purposes thereof upon such security (not being shares of this Company) or without security and in such manner as they may think fit and from time to time to vary or realise such investments. Save as provided in Section 49 of the Act all investments shall be made and held in the Company's own name.
- (11) To execute in the name and on behalf of the Company in favour of any Director or other person who may incur or be about to incur any personal liability whether as principal or surety for the benefit of the Company such mortgages of the Company's property (present and future) as they think fit; and any such mortgage may contain a power of sale and such other powers, provisions, covenants, and agreement as shall be agreed upon.
- (12) To determine from time to time who shall be entitled to sign on the Company's behalf, bills, notes, receipts, acceptances, endorsements, releases, contracts and documents and to give the necessary authority for such purpose.
- (13) To distribute by way of bonus amongst the staff of the Company a share or shares in the profits of the Company and to give to any officer or other person employed by the Company a commission on the profits of any particular business transaction, and to charge such bonus or commission as part of the working expense of the Company.
- (14) To provide for the welfare of Directors and ex-Directors, employees and ex-employees of the Company and the wives, widows and families or the dependents or connection of such persons, by building or contributing to the building of houses, dwelling, or by grants of money, pension, gratuities, allowances, bonus or other payments, or by creating, and from time to time subscribing or contributing to provident and other associations, institutions, funds or trust and by providing or subscribing or contributing towards places of instructions and recreation, hospitals and dispensaries, medical, and other attendance and other assistance as the Board shall think fit, and to subscribe or contribute or otherwise to assist or to guarantee money to charitable, benevolent, religious, scientific, national or other institutions or objects which shall have any moral or other claim to support or aid by the Company, either by reason of locality of operation, or of public and general utility to otherwise

- (15) Before recommending any dividend to set aside out of the profits of the Company such sums as they may think proper for depreciation or to Depreciation Fund, or to an Insurance Fund, or as a Reserve Fund or Sinking Fund or any Special Fund, to meet contingencies or to repay debentures, or debenture-stock, or for special dividends or for equalising dividends or for repairing, improving, extending and maintaining any of the property of the Company and for such other purposes (including the purposes referred to in the preceding clause) as the Board may; in the absolute discretion, think conducive to the interest of the Company, and subject to Section 292 of the Act, to invest the several sums so set aside or so much thereof as required to be invested, upon such investments (other than shares of the Company) as they may think fit, and from time to time to deal with and vary such investments and dispose of and apply and expand all or any part thereof for the benefit of the Company, in such manner and for such purposes as the Board in their absolute discretion, think conducive to the interest of the Company, notwithstanding that the matters to which the Board may apply or upon which they may expand the same, or any part thereof, be matters to or upon which the capital moneys of the Company might rightly be applied or expanded, and to divide the Reserve Fund into such special funds as the Board may think fit and to employ the assets constituting all or any of the above funds, including the Depreciation Fund, in the business of the Company or in the purchase or repayment of Debentures or debenture-stock, and without being bound to keep the same separate from the other assets and without being bound to pay interest on the same with power however to the Board at their discretion to pay or allow to the credit of such funds interest at such rate as the Board may think proper, not exceeding nine per cent per annum.
- (16) To appoint, and at their discretion remove or suspend such managers, secretaries, assistants, supervisors, clerks, agents and servants for permanent, temporary or special services as they may from time to time think fit, and to determine their powers and duties and fix their salaries or emoluments or remuneration, and to require security in such instances and to such amounts as they may think fit. And also without prejudice as aforesaid from time to time to provide for the management and transaction of the affairs of the Company in any specified locality in India or elsewhere in such manner as they think fit, and the provisions contained in the three next following sub-clauses shall be without prejudice to the general powers conferred by this sub-clause.
- (17) From time to time and at any time to establish any local Board for managing any of the affairs of the Company in any specified locality in India or elsewhere and to appoint any person to be members of such Local Boards, and to fix their remuneration and from time to time, and at any time to delegate to any person so appointed any of the powers, authorities and discretions for the time being vested in the Board other than their power to make calls increase capital, all meetings, appoint directors, declare dividends, make loans or borrows moneys, and to authorise the Members for the time being of any such Local Board, or any of them to fill up any vacancies therein and to act notwithstanding vacancies, and any such appointment or delegation may be made on such terms and subject to such conditions as the Board may think fit, and the Board may at any time remove any person so appointed, and may annul or vary any such delegations
- (18) At any time and from time to time by Power of Attorney under the Seal of the Company to appoint any person or persons to be the Attorney or Attorneys of the Company for such purposes and with such powers, authorities and directions (not exceeding those vested in or exercisable by the Board under these Articles and excluding the power to make calls and excluding also except in their limits authorised by the Board the power to make loans and borrow moneys) and for such period and subject to such conditions as the Board may from time to time think fit, and any such appointment may (if the Board thinks fit) be made in favour of the members or any of the members of any Local Board, established as aforesaid or in favour of any Company or the shares holders, directors, nominees, or managers of any Company or firm or otherwise in favour of any fluctuating body of person whether nominated directly or indirectly by the Board and any such Power of Attorney may contain such Powers for the protection or convenience of persons dealing with such Attorneys as the Board may think fit, and may contain powers enabling any such delegates or attorneys as aforesaid to sub-delegate all or any of the powers authorities and discretions for the time being vested in them.
- (19) Subject to Section 294 and 297 and 300 of the Act, for or in relation to any of the matters aforesaid or

otherwise for the purposes of the Company to enter into all such negotiations and contracts and rescind and vary all such contracts, and execute and do all such acts, deeds and things in the name and on behalf of the Company as they may consider expedient

- (20) To open any account or accounts with such bank or banks as the Board may select and to appoint persons to operate such accounts, and to make, sign, draw, accept, endorse or otherwise execute cheques, dividend warrants, promissory notes, drafts, hundies, orders, bills of exchange, bills of lading and other negotiable instruments.

MANAGING DIRECTORS

Board of Directors may appoint Managing Director

Article 140 provides that “subject to the provisions of Sections 267, 268, 309, 310, 311, 316 and 317 of the Act the Board shall have power to appoint from time to time one or more of its number as Managing Director or Managing Directors of the Company for a fixed term not exceeding five years at a time and upon such conditions as the Board thinks fit, and subject to the provisions of Article 133, the Board may by resolution vest in such Managing Director such of the Powers hereby vested in the Board generally as it thinks fit, and such Powers may be made exercisable for such period or periods, and upon such conditions and subject to such restrictions as it may determine. The remuneration of a Managing Director shall be determined in accordance with Article 121 and 122.”

Remuneration of Directors

Article 121 provides that:

- (1) “Subject to the provisions of the Act, a Director, who is in the whole time employment of the Company, or a Managing Director may be paid remuneration either by way of a monthly payment or at a specified percentage of the net profits of the Company or partly by one way and partly by the other
- (2) Subject to the provisions of the Act, a Director, who is neither in the whole-time employment of the Company nor a Managing Director, may be paid remuneration either:
- (i) by way of monthly, quarterly or annual payment with the approval of the Central Government; or
 - (ii) by way of commission. If the Company (special resolution authorises such commission.

Restriction on management

Article 141 provides that “the Managing Director or Managing Directors shall not exercise the powers to:

- (a) make calls on shareholders in respect of money unpaid on the shares in the Company
- (aa) to authorise the buy-back referred to in the first proviso to clause (d) of sub-section (2) of section 77A of the Act
- (b) issue debentures

and except to the extent mentioned in a resolution passed at the Board meeting under Section 292 of the Act, he or they shall not exercise the powers to:-

- (c) borrow money, otherwise than on debentures,
- (d) invest the funds of the Company, and

- (e) make loans.”

DIVIDENDS

Dividends in proportion to amount paid up

Article 169 provides that “all dividends shall be apportioned and paid proportionately to the amounts paid up on the shares during any portion or portions of the period in respect of which the dividend is paid; but if any share is issued on terms providing that it shall rank for dividend as from a particular date, such share shall rank for dividend accordingly.”

The Company in General Meeting may declare a dividend

Article 164 provides that “the Company in General Meeting may declare a dividend to be paid to Members according to their respective rights, but no dividends shall exceed the amount recommended by the Board.”

Dividend only to be paid out of profits

Article 165 provides that:

- (1) “No dividend shall be declared or paid otherwise than out of profits of the financial year arrived at after providing for depreciation in accordance with the provision of Sections 205 of the Act or out of the profits of the Company for any previous financial year or years arrived at after providing for depreciation in accordance with these provisions and remaining undistributed or out of both. Provided that:-
 - (i) If the Company has not provided for depreciation for any previous financial year or years it shall, before declaring or paying a dividend for any financial year, provide for such depreciation out of the profits of the financial year or out of profits of any other previous financial year or years;
 - (ii) If the Company has incurred any loss in any previous financial year or years the amount of the loss or an amount which is equal to the amount provided for depreciation for the year or those years whichever is less, shall be set off against the profits of the Company for the year for which the dividend is proposed to be declared or paid or against the profits of the Company for any previous financial year or years arrived at in both cases after providing for depreciation in accordance with the provisions of subsection (2) of Section 205 of the Act or against both.
- (2) Notwithstanding anything contained in sub-clause (1) hereof no dividend shall be declared or paid by the Company for any financial year out of the profits of the Company for that year arrived at after providing for depreciation in accordance with the provisions of sub-clause (1) hereof except after the transfer to the reserves of the Company of such percentage of its profits for that year not exceeding 10% as may be prescribed.

Provided that nothing in this clause shall be deemed to prohibit the voluntary transfer by a Company of a higher percentage of its profits to the reserves in accordance with such rules as may be made by the Central Government in this behalf.

- (3) Where owing to inadequacy or absence of profits in any year, the Company proposes to declare dividend out of the accumulated profits earned by the Company in previous years and transferred by it to the reserves such declaration of dividend shall not be made except in accordance with such rules as may be made by the Central Government in this behalf, and where any such declaration is not in accordance with such rules such declaration shall not be made except with the previous approval of the Central Government.

No Interest on Dividends

Article 175 provides that “no dividends bonus or other sum payable in cash shall bear interest against the Company.”

Interim Dividends

Article 167 provides that “the Board may, from time to time pay to the Members such interim dividends as in their judgment the position of the Company justifies”

No member to receive interest or dividend whilst indebted to the Company and Company’s right to reimbursement therefrom

Article 171 provides that “no Member shall be entitled to receive-payment of any interest or dividend in respect of his share or shares, whilst any money may be due or owing from him to the Company in respect of such share or shares or otherwise howsoever, either alone or jointly with any other person or persons, and the Board may deduct from the interest or dividend payable to any Member all sums of money so due from him to the Company.”

Unpaid or Unclaimed Dividend

Article 174 provides that “Where the company has declared a dividend but which has not been paid or claimed within 30 days from the date of declaration of such dividend, the Company shall transfer such dividend within 7 days from the date of expiry of the said period of 30 days, to a special account to be opened by the company in that behalf in any scheduled bank, to be called “Unpaid Dividend Account of Godrej Properties Limited.

Any money transferred to the unpaid dividend account of a company which remains unpaid or unclaimed for a period of seven years from the date of such transfer, shall be transferred by the company to the Fund known as the Investor Education and Protection Fund established under Section 205C of the Act. No unpaid or unclaimed dividend shall be forfeited by the company.”

INDEMNITY

Director’s and other’s right to indemnity

Article 193 provides that “every Director, Officer or Agent for the time being of the Company shall be indemnified, out of the assets of the Company against any liability incurred by him in defending any proceeding, whether civil or criminal, in which judgment is given in his favour or in which he is acquitted or discharged or in connection with any application under Section 633 of the Act in which relief is granted to him by the Court.”

SECRECY CLAUSE

Article 194 provides that:

- (a) “Every Director, Manager, Secretary, Treasurer, officer, servant, agent, accountant or other person employed in the business of the Company shall, if so required by the Directors, before entering upon his duties, sign a declaration pledging himself to observe, strict secrecy respecting all transactions and affairs of the Company with the customers and the state of the accounts with individuals and in matter relating thereto, and shall by such declaration pledge himself not to reveal any of the matters which may come to his knowledge in the discharge of his duties except when required so to do by the Directors or by law or by the person to whom such matters relate and except so far as may be necessary in order to comply with any of the provisions in these presents contained.
- (b) No member shall be entitled to visit or inspect any works of the Company without the permission of the Directors or to require discovery of or any information respecting any details of the Company’s trading, or any matter which is or may be in the nature of a trade secret, mystery of trade, secret

process or any other matter which may relate to the conduct of the business of the Company and which in the opinion of the Directors, it would not be in the interest of the Company to disclose.”

DEMATERIALISATION OF SECURITIES

Article 69 provides that “the provisions of this Article shall apply notwithstanding anything to the contrary contained in any other Articles.

- (a) The Company shall be entitled to dematerialize securities and to offer securities in a dematerialized form pursuant to the Depositories Act, 1996.
- (b) Every holder of or subscriber to securities of the Company shall have the option to receive certificates for such securities or to hold the securities with a Depository. Such a Person who is the Beneficial Owner of the securities can at any time opt out of a Depository or rematerialize, if permitted by law, in respect of any securities in the manner provided by the Depositories Act, 1996 and the Company shall, in the manner and within the time prescribed, issue to the Beneficial Owner the required certificates for the securities. If a Person opts to hold his securities with the Depository, the Company shall intimate such Depository the details of allotment of the securities, and on receipt of the information, the Depository shall enter in its record the name of the allottee as the Beneficial Owner of the securities.
- (c) All securities held by a Depository shall be dematerialized and be in fungible form. Nothing contained in Sections 153, 153A, 153B, 187B, 187C and 372A of the Companies Act shall apply to a Depository in respect of the securities held by on behalf of the Beneficial Owners.
- (d)
 - (i) Notwithstanding anything to the contrary contained in the Companies Act or these Articles, a Depository shall be deemed to be the registered owner for the purposes of effecting transfer of ownership of securities of the Company on behalf of the Beneficial Owner.
 - (ii) Save as required by Applicable Law, the Depository as the registered owner of the securities shall not have any voting rights or any other rights in respect of the securities held by it.
 - (iii) Every Person holding securities of the Company and whose name is entered as the Beneficial Owner of securities in the record of the Depository shall be entitled to all the rights and benefits and be subject to all the liabilities in respect of the securities which are held by a Depository and shall be deemed to be a Member of the Company.
- (e) Notwithstanding anything contained in the Companies Act or these Articles to the contrary, where securities of the Company are held in a Depository, the records of the Beneficiary Ownership may be served by such Depository on the Company or Registrar and Transfer Agents by means of electronic mode or by delivery of floppies or discs.
- (f) Nothing contained in Section 108 of the Companies Act or these Articles, shall apply to a transfer of securities effected by a transferor and transferee both of whom are entered as Beneficial Owners in the records of a Depository.
- (g) Notwithstanding anything contained in the Companies Act or these Articles, where securities are dealt with by a Depository, the Company shall intimate the details thereof to the Depository immediately on allotment of such securities.
- (h) Nothing contained in the Companies Act or these Articles regarding the necessity of having distinctive numbers for securities issued by the Company shall apply to securities held with a Depository.
- (i) The register of Members and index of beneficial owners maintained by a Depository under the Depositories Act, 1996 shall be deemed to be the Register and Index of Members and security holders for the purposes of these Articles.”

SECTION IX: OTHER INFORMATION
MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The following Contracts (not being contracts entered into in the ordinary course of business carried on by our Company or entered into more than two years before the date of this 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 Prospectus, delivered to the Registrar of Companies, Maharashtra, Mumbai for registration and also the documents for inspection referred to hereunder, may be inspected at the registered office of our Company from 10.00 am to 4.00 pm on working days from the date of the Red Herring Prospectus until the Bid/Issue Closing Date.

Material Contracts to the Issue

1. Engagement Letter dated February 22, 2008 for the appointment of the GCBRLMs and addendum to the Engagement Letter dated October 21, 2009.
2. Engagement Letter dated October 21, 2009 for the appointment of the BRLMs.
3. Issue Agreement between our Company, the GCBRLMs and the BRLMs dated October 22, 2009.
4. Memorandum of Understanding between our Company and the Registrar to the Issue dated October 20, 2009.
5. Escrow Agreement dated December 4, 2009 between the Company, the GCBRLMs, the BRLMs, the Escrow Banks and the Registrar to the Issue.
6. Syndicate Agreement dated December 4, 2009 between the Company, the GCBRLMs, the BRLMs and the Syndicate Member.
7. Underwriting Agreement dated December 16, 2009 between the Company, the GCBRLMs, the BRLMs and the Syndicate Member.
8. Monitoring Agency Engagement dated November 24, 2009 between the Company and the Monitoring Agent.

Material Documents

1. Our Memorandum and Articles of Association as amended from time to time.
2. Our Certificate of Incorporation.
3. Board resolutions in relation to the Issue.
4. Shareholders' resolutions in relation to the Issue.
5. Standalone Statements of Assets and Liabilities, Statement of Profits and Losses, as Restated and Cash Flows, as Restated, under Indian GAAP as at and for the Years Ended March 31, 2009, 2008, 2007, 2006 and 2005 and for the period ended September 30, 2009 audited by M/s. Kalyaniwalla & Mistry, Chartered Accountants and their audit report on the same, dated November 16, 2009.
6. Consolidated Statements of Assets and Liabilities, Statement of Profits and Losses, as Restated and Cash Flows, as Restated, under Indian GAAP as at and for the Years Ended March 31, 2009, 2008, 2007, 2006 and 2005 and for the period ended September 30, 2009 audited by M/s. Kalyaniwalla & Mistry, Chartered Accountants and their audit report on the same, dated November 16, 2009.

7. Statement of Tax Benefits from, M/s. Kalyaniwalla & Mistry, Chartered Accountants dated November 16, 2009 – Auditor’s Report on possible Income-tax benefits available to the Company and its shareholders.
8. Copies of annual reports of our Company for the years ended March 31, 2005, 2006, 2007, 2008 and 2009.
9. Consents of Bankers to the Company, the GCBRLMs, the BRLMs, Syndicate Member, Registrar to the Issue, Escrow Collection Bank(s), Bankers to the Issue, Domestic Legal Counsel to the Company, Domestic Legal Counsel to the GCBRLMs and the BRLMs, International Legal Counsel to the Underwriters, Directors of the Company, Auditors of the Company, Company Secretary and Compliance Officer of the Company, as referred to, in their respective capacities.
10. Agreement between our Company and Mr. Milind S. Korde, Managing Director, dated October 20, 2009 and agreement between our Company and Mr. Pirojsha A. Godrej, Executive Director, dated October 20, 2009 and Supplementary Agreement between our Company and Mr. Milind S. Korde, Managing Director dated November 18, 2009.
11. Share Subscription Agreement between our Company, HDFC Ventures Trustee Company Limited and Godrej Realty Private Limited dated March 16, 2006.
12. Shareholders Agreement between our Company, HDFC Ventures Trustee Company Limited and Godrej Realty Private Limited dated March 16, 2006.
13. Debenture Subscription Agreement between our Company, HDFC Ventures Trustee Company Limited and Godrej Realty Private Limited dated March 16, 2006.
14. Share Subscription Agreement between our Company, HDFC Ventures Trustee Company Limited and Godrej Waterside Properties Private Limited dated July 3, 2007.
15. Shareholders Agreement between our Company, HDFC Ventures Trustee Company Limited and Godrej Waterside Properties Private Limited dated July 3, 2007.
16. Debenture Subscription Agreement between our Company, HDFC Ventures Trustee Company Limited and Godrej Waterside Properties Private Limited dated July 3, 2007.
17. Share Purchase Agreement in respect of Happy Highrises Limited dated July 18, 2007.
18. Trademark License Agreement dated May 27, 2008 and Trademark License Amendment Agreement dated May 4, 2009.
19. Letter from Godrej Industries Limited to the Company in relation to the proposed “Tri-Partite Advertising Agreement” dated May 27, 2008.
20. Share Purchase and Subscription Agreement between Red Fort India Real Estate Babur, our Company and Godrej Developers Private Limited dated June 27, 2008.
21. Shareholders Agreement between Red Fort India Real Estate Babur, our Company and Godrej Developers Private Limited dated June 27, 2008.
22. Share Purchase and Subscription Agreement between Milestone Real Estate Fund, Our Company and Happy Highrises Limited dated August 31, 2009.
23. Shareholders Agreement between Milestone Real Estate Fund, Our Company and Happy Highrises Limited dated August 31, 2009.

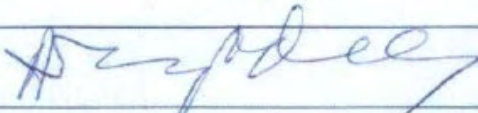
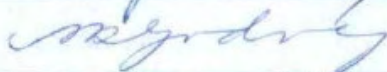
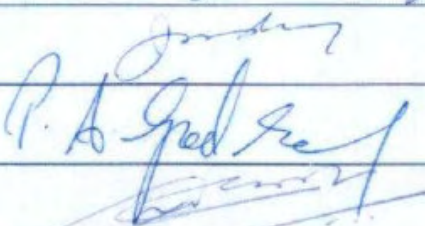
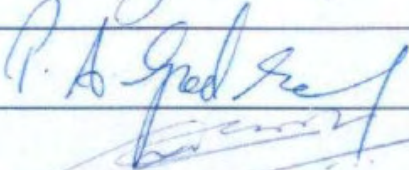

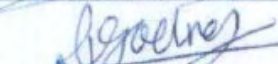
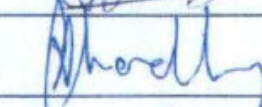

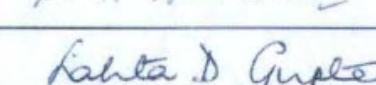
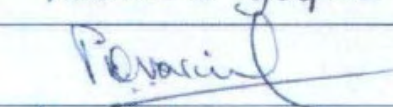
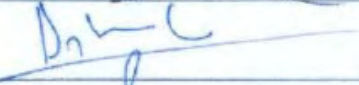
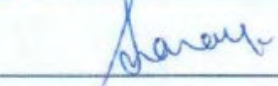
24. Debenture Subscription Agreement between Milestone Real Estate Fund, Our Company and Happy Highrises Limited dated September 18, 2009.
25. Development agreement between the Company and Rallis India Limited dated November 1, 2007.
26. Agreement for grant of development rights between our Company and Sree Siddhi Infrabuild Private Limited dated April 15, 2008.
27. In-principle listing approval dated October 30, 2009 and November 23, 2009 from BSE and NSE respectively.
28. Tripartite Agreement between NSDL, our Company and the Registrar to the Issue dated June 10, 2008.
29. Tripartite Agreement between CDSL, our Company and the Registrar to the Issue dated May 30, 2008.
30. Due diligence certificate dated October 22, 2009 to SEBI from the GCBRLMs and the BRLMs.
31. SEBI observation letter No. CFD/DIL/ISSUES/PB/PN/184613/2009 dated November 23, 2009.
32. Response letter dated November 26, 2009 from the BRLMs to SEBI replying to SEBI observation letter No. CFD/DIL/ISSUES/PB/PN/184613/2009 dated November 23, 2009
33. IPO Grading Report Ref No. 2009-10/751/3916 dated November 25, 2009, 2008 by ICRA Limited.
34. Letters from the Reserve Bank of India dated January 25, 2008 and March 19, 2008.

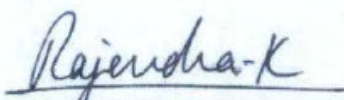
Any of the contracts or documents mentioned in this Prospectus may be amended or modified at any time if so required in the interest of the Company or if required by the other parties, without reference to the shareholders subject to compliance of the provisions contained in the Companies Act and other relevant statutes.

DECLARATION

All relevant provisions of the Companies Act, 1956, and the guidelines issued by the Government of India or the regulations and guidelines issued by Securities and Exchange Board of India, established under Section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Prospectus is contrary to the provisions of the Companies Act, 1956, the Securities and Exchange Board of India Act, 1992 or rules or regulations made thereunder or guidelines issued, as the case may be. We hereby certify that all the statements in this Prospectus are true and correct.

Signed by the Directors of the Company

Name	Signature
Mr. Adi B. Godrej <i>Chairman</i>	
Mr. Nadir B. Godrej <i>Non-Executive Director</i>	
Mr. Jamshyd N. Godrej <i>Non-Executive Director</i>	
Mrs. Parmeshwar A. Godrej <i>Non-Executive Director</i>	
Mr. Milind S. Korde <i>Managing Director</i>	
Mr. Pirojsha A. Godrej <i>Executive Director</i>	
Mr. Amit B. Choudhury <i>Independent Director</i>	
Mr. Keki B. Dadiseth <i>Independent Director</i>	
Mrs. Lalita D. Gupte <i>Independent Director</i>	
Mr. Pranay Vakil <i>Independent Director</i>	
Dr. Pritam Singh <i>Independent Director</i>	
Mr. S. Narayan <i>Independent Director</i>	



Mr. Rajendra Khetawat
Vice-President – Finance and Accounts

Date: December 16, 2009
Place: Mumbai

ANNEXURES



ICRA Limited
An Associate of Moody's Investors Service

CONFIDENTIAL

Ref No: 2009-10/751/3916
November 25, 2009

Mr. Rajendra Khetawat,
Vice President – Finance & Accounts
Godrej Properties Ltd
Godrej Bhavan, 1st Floor,
4A Home Street, Fort,
Mumbai - 400001

Dear Sir,

Re : ICRA Grading of Initial Public Offer of upto 9.43 million equity shares of Rs. 10 each to be issued by your company to the Public ("IPO")

Please refer to your mandate letter dated November 17, 2009 for grading the IPO of upto 9.43 million equity shares of Rs. 10 each of your company. The Rating Committee of ICRA, after due consideration, has assigned the "IPO Grade 4" (pronounced Initial Public Offer Grade four) grading to the captioned IPO programme. This grading indicates above - average fundamentals.

In any of your publicity material or other document wherever you are using the above grading, it should be stated as "IPO Grade 4". We would appreciate if you can sign on the duplicate copy of this letter and send it to us as a token of your confirmation about the use of this letter. The rationale for assigning the above grading will be sent to you in due course.

Notwithstanding anything to the contrary: An ICRA IPO Grade is a statement of current opinion of ICRA and is not a statement of appropriateness of the graded security for any of the investors. Such grade is assigned with due care and caution on the basis of analysis of information and clarifications obtained from the issuer concerned and also other sources considered reliable by ICRA. However, ICRA makes no representation or warranty, express or implied as to the accuracy, authenticity, timeliness, or completeness of such information. An ICRA IPO Grade is not (a) a comment on the present or future price of the security concerned (b) a certificate of statutory compliance and/or (c) a credit rating. Further the ICRA IPO Grade is not a recommendation of any kind including but not limited to recommendation to buy, sell, or deal in the securities of such Issuer nor can it be considered as an authentication of any of the financial statements of the company and ICRA shall not be liable for any losses incurred by users from any use of the grade in any manner. It is advisable that the professional assistance be taken by any prospective investor in the securities of the company including in the fields of investment banking, tax or law while making such investment. All services and information provided by ICRA is provided on an "as is" basis, without representations and warranties of any nature.

This grading is specific to the terms and conditions of the proposed IPO issue as was indicated to us by you and any change in the terms or size of the IPO would require the grading to be reviewed by us. If there is any change in the terms and conditions or size of the rated IPO, as above, the same must be brought to our notice before the issue of the IPO. If there is any such

Electric Mansion, 3rd Floor, Tel: +91 22 24331046 / 53 / 62 / 74 / 86 / 87 website : WWW.ICRA.IN
Appasaheb Marathe Marg, +91 22 24362044, 2432 9109 , 30470000 email : mumbai@icraindia.com
Prabhadevi, Mumbai 400 025, Fax: +91 22 24331390

Regd. Office : Kailash Building, 11th Floor, 26, Kasturba Gandhi Marg, New Delhi 110 001



change after the grading is assigned by us, it would be subject to our review and may result in change in the grading assigned.

ICRA reserves the right to suspend, withdraw or revise the above grading at any time on the basis of new information or unavailability of information or such other circumstances, which ICRA believes, may have an impact on the aforesaid grading assigned to you.

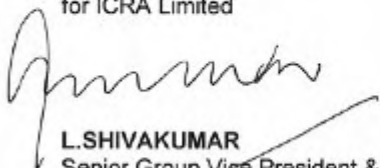
The grading, as aforesaid, however, should not be treated as a recommendation to buy, sell or hold the Equity Shares to be issued by you. If the instrument rated, as above, is not issued by you within a period of 6 months from date of this letter communicating the grading, the same would stand withdrawn unless revalidated before the expiry of 6 months.

You are required to keep us forthwith informed of any developments (including any default or delay in repayment of interest or principal amount of any debt instruments/ borrowing or proposal for re-schedulement or postponement of the repayment programmes of the dues/ debts) which may have a direct or indirect impact on the grading assigned to the aforesaid IPO programme.

We thank you for your kind co-operation extended during the course of the grading exercise. Should you require any clarification, please do not hesitate to get in touch with us.

With kind regards,

Yours sincerely,
for ICRA Limited



L. SHIVAKUMAR
Senior Group Vice President &
Head – Western Region



ANJAN DEB GHOSH
Senior Group Vice President &
Head-Corporate Sector Ratings



ICRA assigns IPO Grade 4 to the proposed IPO of Godrej Properties Limited

ICRA has assigned an IPO Grade 4, indicating above-average fundamentals, to the proposed Initial Public Offer (IPO) of Godrej Properties Limited (GPL). ICRA assigns IPO gradings on a five-point scale of IPO Grade 5 through to IPO Grade 1, with Grade 5 indicating strong fundamentals and Grade 1 indicating poor fundamentals.

Godrej Properties Limited (GPL) is proposing to come out with an Initial Public Offer of 9.43 million shares of face value Rs. 10/- each, through the book building route. Of the total issue, 60% is reserved for QIBs, 10% for non-institutional investors and 30% for the retail investors. Post the IPO, the shares will be listed on the Bombay Stock Exchange (BSE) and the National Stock Exchange (NSE). The IPO proceeds are proposed to be used primarily for acquisition of land development rights, construction of projects and repayment of loans.

The IPO grade assigned by ICRA takes into account GPL's successful track record of project execution while maintaining high quality standards; the good market response for GPL's ongoing residential projects, reflected by a high level of bookings and customer advances that has resulted in lower market risk for its projects; and low commitment in terms of land payments due to its business model of entering into Joint Development Agreements (JDA) with the land owners. ICRA also derives comfort from GPL's strong parentage by virtue of being a subsidiary of Godrej Industries Limited and regular infusion of funds by the promoter in the past. The grading is, however, constrained by GPL's high exposure to commercial projects resulting in high funding requirements, and its diversification into newer geographies where its ability to compete and execute projects is yet to be demonstrated. The grading also takes into consideration the current slowdown in real estate that poses a challenge to the company to maintain its sales volumes and collection efficiency in its on-going and forthcoming projects. Going forward, ICRA expects an increase in the funding requirement of the company on account of increase in scale of its operations; however the funds from the proposed IPO would enable GPL to maintain an adequate capital structure while funding its growth. Moreover, GPL's profitability and return indicators are expected to remain healthy in the medium term because of its established track record of project implementation; healthy bookings in its on-going projects and lower capital requirement due to its business model of entering into JDA with the land owners.

Company Profile

Godrej Properties Limited (GPL) is the real estate venture of the Rs 98 billion Godrej Group, which is engaged in diverse business segments spanning Home appliances, FMCG, consumer products, Industrial products (process plant and equipment), Oleo chemicals, animal feed, real estate development and oil palm plantation through various group companies. GPL was incorporated as Sea Breeze Constructions and Investments Private Limited on February 8, 1985 by Mr. Mohan Khubchand Thakur and Mrs. Desiree Mohan Thakur. In the year 1987, it became a part of the Godrej group and in the year 1989 it became a subsidiary of Godrej Industries Limited (erstwhile Godrej Soaps Limited), which holds 81.41% of the company's equity share capital as on March 31, 2008. GPL currently has a presence in over 10 cities in India and its business focuses on residential, commercial and township developments. GPL's first project was Godrej



Edenwoods in Thane, Mumbai which was completed in May 1991. As on October 15, 2009, the company has completed a total of 23 projects comprising 16 residential and 7 commercial projects, aggregating approximately 5.13 million sq. ft. of Developable Area. During the fiscal year 2009, the total revenue contribution from operation of commercial activities, residential activities and other income operations was Rs.1.676 million, Rs.595 million and Rs. 230 million, respectively.

For further details please contact:

Analyst Contact

Mr. Vikas Agarwal
(Tel. No. +91-124-4545301)
vikas@icramdia.com

Relationship Contact

Mr. L. Shivakumar
(Tel. No. +91-22-30470000)
shivakumar@icramdia.com

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Disclaimer: Notwithstanding anything to the contrary: An ICRA IPO grade is a statement of current opinion of ICRA and is not a statement of appropriateness of the graded security for any of the investors. Such grade is assigned with due care and caution on the basis of analysis of information and clarifications obtained from the issuer concerned and also other sources considered reliable by ICRA. However, ICRA makes no representation or warranty, express or implied as to the accuracy, authenticity, timeliness, or completeness of such information. An ICRA IPO grade is not (a) a comment on the present or future price of the security concerned (b) a certificate of statutory compliance and/or (c) a credit rating. Further, the ICRA IPO grade is not a recommendation of any kind including but not limited to recommendation to buy, sell, or deal in the securities of such issuer nor can it be considered as an authentication of any of the financial statements of the company, and ICRA shall not be liable for any losses incurred by users from any use of the grade in any manner. It is advisable that the professional assistance be taken by any prospective investor in the securities of the company including in the fields of investment banking, tax or law while making such investment. All services and information provided by ICRA are provided on an "as is" basis, without representations and warranties of any nature.



Godrej Properties Limited

ICRA has assigned an IPO Grade 4, indicating above-average fundamentals, to the proposed Initial Public Offer (IPO) of Godrej Properties Limited (GPL). ICRA assigns IPO gradings on a five-point scale of IPO Grade 5 through to IPO Grade 1, with Grade 5 indicating strong fundamentals and Grade 1 indicating poor fundamentals.

Godrej Properties Limited (GPL) is proposing to come out with an Initial Public Offer of 9.43 million shares of face value Rs. 10/- each, through the book building route. Of the total issue, 60% is reserved for QIBs, 10% for non-institutional investors and 30% for the retail investors. Post the IPO, the shares will be listed on the Bombay Stock Exchange (BSE) and the National Stock Exchange (NSE). The IPO proceeds are proposed to be used primarily for acquisition of land development rights, construction of projects and repayment of loans.

The IPO grade assigned by ICRA takes into account GPL's successful track record of project execution while maintaining high quality standards; the good market response for GPL's ongoing residential projects, reflected by a high level of bookings and customer advances that has resulted in lower market risk for its projects; and low commitment in terms of land payments due to its business model of entering into Joint Development Agreements (JDA) with the land owners. ICRA also derives comfort from GPL's strong parentage by virtue of being a subsidiary of Godrej Industries Limited and regular infusion of funds by the promoter in the past. The grading is, however, constrained by GPL's high exposure to commercial projects resulting in high funding requirements, and its diversification into newer geographies where its ability to compete and execute projects is yet to be

demonstrated. The grading also takes into consideration the current slowdown in real estate that poses a challenge to the company to maintain its sales volumes and collection efficiency in its on-going and forthcoming projects. Going forward, ICRA expects an increase in the funding requirement of the company on account of increase in scale of its operations; however the funds from the proposed IPO would enable GPL to maintain an adequate capital structure while funding its growth. Moreover, GPL's profitability and return indicators are expected to remain healthy in the medium term because of its established track record of project implementation; healthy bookings in its on-going projects and lower capital requirement due to its business model of entering into JDA with the land owners.

Company Profile

Godrej Properties Limited (GPL) is the real estate venture of the Rs 98 billion Godrej Group, which is engaged in diverse business segments spanning Home appliances, FMCG, consumer products, Industrial products (process plant and equipment), Oleo chemicals, animal feed, real estate development and oil palm plantation through various group companies. GPL was incorporated as Sea Breeze Constructions and Investments Private Limited on February 8, 1985 by Mr. Mohan Khubchand Thakur and Mrs. Desiree Mohan Thakur. In the year 1987, it became a part of the Godrej group and in the year 1989 it became a subsidiary of Godrej Industries Limited (erstwhile Godrej Soaps Limited), which holds 81.41% of the company's equity share capital as on March 31, 2008. GPL currently has a presence in over 10 cities in

India and its business focuses on residential, commercial and township developments. GPL's first project was Godrej Edenwoods in Thane, Mumbai which was completed in May 1991. As on October 15, 2009, the company has completed a total of 23 projects comprising 16 residential and 7 commercial projects, aggregating approximately 5.13 million sq. ft. of Developable Area. During the fiscal year 2009, the total revenue contribution from operation of commercial activities, residential activities and other income operations was Rs.1,676 million, Rs.595 million and Rs. 230 million, respectively.

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